



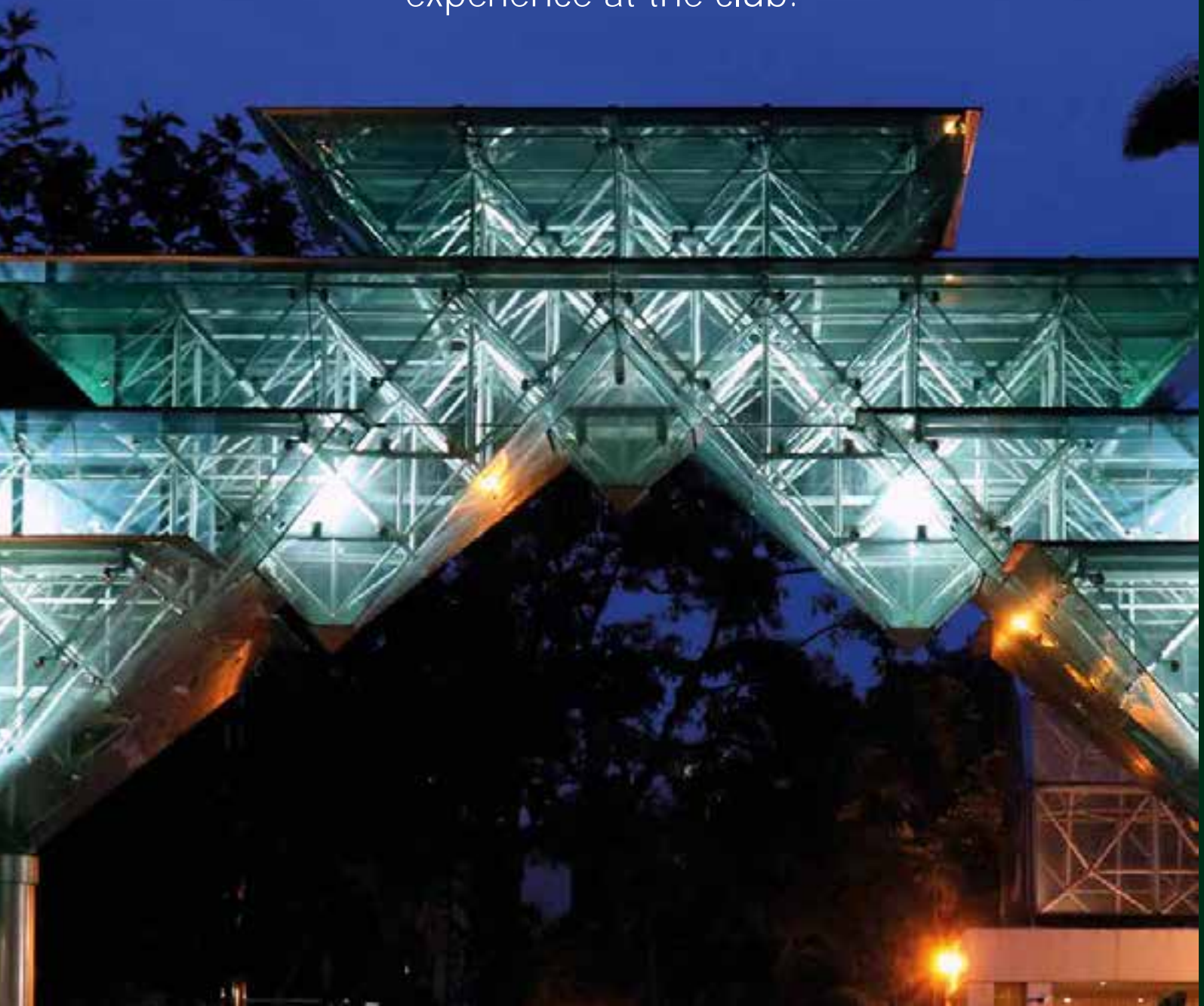
Annual Report 2018 / 2019

VISION

To be Singapore's best family club for recreational and social activities.

MISSION

Exceed members' expectations with a wide range of activities and excellent service, offering members and their families and guests a satisfying experience at the club.



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GENERAL COMMITTEE



Mr Terrence Fernandez
President



Mr Benjamin Wong
Vice-President



Mr Rayner Ng
Honorary Treasurer



Mr Daniel Ho
Assistant Honorary
Secretary



Mr Jack Rodrigues
Assistant Honorary
Treasurer



**Mr George Lim
Yort Gue**
Committee Member

PATRONS



Mr Goh Chok Tong
Patron-In-Chief
Emeritus Senior Minister



Mr George Yeo



Mrs Lim Hwee Hua



Ms Sylvia Lim

TRUSTEES



Mr Hendrick Koh
PPA PBM BBM



Mr Anthony Tan



Mr Pao Kiew Tee

CONVENORS

Mr Emrys Phua
Billiard Convenor

Mr Edward Tan
Bowling Convenor

Mr Ronnie Ng
Chess Convenor

Mr Rick Seah
Darts Convenor

Mr Eddie Ng
Fitness Convenor

Mr Aaron Lim
Golf Convenor

Mr Edwin Lee
Squash Convenor

Mr Steven Lee
Tennis Convenor

PRESIDENT'S MESSAGE



Terrence Fernandez
President

I am truly humbled and honoured to be your President over the last 12 months. You have shown great care and patience towards your General Committee as we journeyed together.

As a community we showed courage and tenacity at the 2018 AGM to make new and bold decisions in the interest of our Club. I am sure you can physically see many improvements. The culture of the Club has also transformed with Members interacting more with each other as they come together to participate actively in all our club events.

The Club ended the financial year 2018/2019 with a Net Operating Surplus of \$0.233 million (before non-operating income and expense). More details in Treasurer's Report. We did this without increasing our subscription and/or introducing a minimum spending. In addition it would not have been possible without the collective sacrifices

and effort by our Members, Staff, Management and The General Committee.

The F&B department has shown improvement and now we have to work towards ensuring we benefit in this area. Procurement will be renegotiating all expiring contracts, ensuring the Club benefits immensely. This was a key concern and the entire GC was involved in it.

We now have a realistic blueprint that can be replicated by future Management and GCs.

In the course of the year, the GC and Management explored ways to improve revenue, reduce cost and maximize opportunities. All the details are found in the Sub-Committee reports. The work that we started together is not complete.

There is no perfect system for subsidies in view of Members' subscription but we have adopted a system that is fair for all our Members; a basic pay-as-you-use model. If you use more you pay subscription + more, if you use less you pay subscription + less and if you don't use the club then as a Member you just need to pay your subscription. We will monitor this closely and refine it as we go along.

We believe in motivating our Members to support the Club and have also introduced an Incentive programme. We will reward our big spenders for supporting the Clubs F&B outlets.

Moving forward, we have a host of ideas and experiences that will be fitting of a Club like ours. This covers different age groups which includes new F&B offerings, new entertainment concepts, Third party advertising and promotional tie-ups,

new membership programmes as well as a new nursing room.

Our investments in marketing and communications will see us having a new mobile app that will allow us to communicate better and be well informed. We will also be conducting a Club wide Census and survey to update our records and incorporate all the required government regulations like Personal Data Protection Act (PDPA). Membership Relations will be rolling out various initiatives namely a rebranding exercise, revamping the Clubs website and other media platforms to promote the Club effectively. We have to leverage on social media to expand our reach.

At the direction of the General Committee, management was tasked to review the facilities charges. Management did their due diligence and fair assessment of fees of comparable clubs and adjusted them accordingly. We have set this review to be done annually and we will adjust it higher or lower to be in line with the industry.

In a recent speech during our 1955: Founders Day celebration, I shared that as a community, we need to realise that Courage drives Change, and remarked that our Club had made a legacy out of Changemakers through the decades. To say that this year has been a challenging one, is to put things lightly, but with perseverance, hard work and the camaraderie of the men and women who stood tall against the tide, the Club is now in a much better position than anyone would have foreseen.

With that, I wish to thank the General Committee, Sub-Committees, Sports Convenors, Management and Staff of the Club. Most of all my profound thanks goes to you Members for your continuous support

We made a difference together.

Food & Beverage





FOOD & BEVERAGE

The F&B team strives to provide Members and guests a great place to wine, dine and be entertained.

Our first objective was to understand the losses incurred over the last four years and act quickly to reverse it. We are proud to announce that we have effectively halted the losing trend with a slight reversal of \$39K.

There was also the need to redistribute the F&B operating cost to better reflect the state of affairs, so that we could isolate the problem and deal with each one in a manner that is consistent with the approach to improve the daily takings. For this, we had to individually identify the Profit & Loss of each of our F&B outlets; namely Atrium Café, Garden Grill, Coffee Deli, Crossroads Lounge, Club Twenty-Two and Bowling Café.

One measure we implemented was to procure our food and

beverages at rates that would enable us to manage our food cost better. Alcohol sales was converted to a consignment model to free up our cashflow. We managed to renegotiate a new and better Beer contract that offers us double the sponsorship dollar, which in turn gives us more flexibility to hold Beer promotions for our Members.

Management also looked into an approach to deal with duplication of services between Crossroads Lounge and Club Twenty-Two. Steps are currently being taken to reposition and rebrand both venues to be more distinct and profitable.

The renovation of the Atrium Kitchen was completed in April 2018. To coincide with its re-opening, several new mouth-watering items were added to the a la carte menu. The value-for-money set lunch also went through regular updates to entice diners. Our monthly weekend

specials have proven to be a big hit with Members.

At Garden Grill, the themed set menu continues to change monthly. Special sets have been created for special occasions such as Mothers Day, Fathers Day, Valentines Day and Christmas Eve.

The Wine Appreciation Dinners at Garden Grill have been well received over the years. Last November, restaurant launched a new Chef's Special set menu to draw Members with quality choices. Events such as International Buffet Dinner, Moroccan

Tajine and Where to Throw Your Year-End Party were also added.

We continue to screen major sporting programmes such as the World Cup 2018, Formula 1 and Barclays Premier League. The airing of the World Cup match between France and Australia recorded one of the highest responses in terms of patronage and sales.

At Kensington Ballroom, regular dance parties and festive-themed dinner events were held. We flew in impressionist artists from the United States for our "Elvis is Alive" show in



August 2018. The two-day event was sold out, drawing over 600 Members and guests.

To connect with the French community in the Club, we partnered with the French Association to bring in the Festival of Brittany in May and Mid-Summer Night in June.

Banquet

To promote the Clubs wedding packages, we participated actively at indoor and outdoor bridal shows, and advertised in bridal websites and publications such as Blissful Bride. We also constantly review our wedding packages to stay competitive and



introduce attractive deals to appeal to engaged couples.

We focused on the MICE (Meetings, Incentives, Conferencing, Exhibitions) segment to fill our ballroom and function rooms on the weekdays. We also offer referral incentives to Members who recommend their friends to host events in the Club.

The Year Ahead

The F&B department will continue to offer a wide range of promotions and activities to keep Members returning to the Club. The team will continue to step up its efforts to sustain, if not increase, the banquet business, as well as to improve the service level across the board to be competitive. The team is also exploring ways of elevating customer experience at our dining establishments by leveraging technology. That could help to



improve service standards, while reducing manpower cost and human error.

A new programme called the After Dark Series was conceptualised to introduce quality activities after 7pm in our Club, such as signature performances at Club Twenty-Two. Response generated from the announcement of the first performance of the series, a tribute concert for Cliff Richard & The Shadows in April, has been overwhelming. We will continue to add variety and cater to the changing preferences of our Members.

Our determination to lower our losses will continue to be a priority, which is why the entire General Committee is actively involved in the F&B Sub-Committee.

NOTE FROM THE CHAIRPERSON

I would like to take this opportunity to thank our members for their earnest support and constructive feedback to improve our services and food quality. In addition, my heartfelt thanks to the F&B Sub-Committee and the F&B team for their hard work and dedication in making the F&B scene a vibrant one for members.



Terrence Fernandez
Chairperson
Food & Beverage

Overview of Food & Beverage Financial Results

Food & Beverage	Total Actual for FY (\$'000)		Variance Fav/(Unfav)	
	2017/2018	2018/2019	\$'000	%
Sales	5,323	5,141	(182)	-3.4
Less: Cost of Sales	(2,102)	(2,017)	85	4.0
Gross Contribution	3,221	3,124	(97)	-3.0
Less: Operating expenses	(3,590)	(3,454)	136	3.8
Net Operating Surplus/(Deficit)	(369)	(330)	39	10.6

Highlights of F&B Performance for the Past 5 Years

Food & Beverage	Total Actual for FY (\$'000)				
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Sales	5,805	5,831	5,470	5,323	5,141
Less: Cost of Sales	(2,176)	(2,358)	(2,172)	(2,102)	(2,017)
Gross Contribution	3,630	3,472	3,299	3,221	3,124
Less: Operating expenses	(3,684)	(3,600)	(3,525)	(3,590)	(3,454)
Net Operating Surplus/(Deficit)	(54)	(128)	(227)	(369)	(330)

Sports & Recreation





SPORTS & RECREATION

The Sports & Recreation team will strive for active participation through sports and games to promote a healthy lifestyle for Members and their families. This will help to create more opportunities for bonding, thus fulfilling our mission to become the best family club in Singapore.

This is a bigger step forward towards our goal, from 'Play for

Leisure' to 'Aiming for Glory' for our Club and Singapore.

Together with the Convenors, its Sub-Committee Members and Staff of the Sports & Recreation Department, we can look forward to more recreational activities for Members and their families, as well as highly competitive tournaments aimed at achieving glory for the Club.

Sports & Games Victories

TEAM	EVENT
Billiard	<ul style="list-style-type: none"> National Snooker League – 3rd Position
Bowling	<ul style="list-style-type: none"> 4th Senior Inter-Club Bowling Mixed League – Champion Club for four consecutive years 19th Youth Inter-Club Bowling Mixed League – Champion Club World Junior Bowling Championship – Ms Arianne Tay
Golf	<ul style="list-style-type: none"> Social Clubs Annual Golf (SCAG) – Overall Best Gross award - Khor Chee Kok

Bridge

The small and closely bonded fraternity meets almost every Tuesday for Bridge sessions. In order to generate interest for more Members to take up the game, Bridge classes were conducted on October 2018. We pleasantly note that a few of them eventually joined the rest at weekly Bridge sessions.

Two Bridge events were successfully held in this financial year. The Bridge Sparkling Diamond and Ang Pow Bridge were held in August 2018 and February 2019 respectively.

The Sports & Recreation department will continue to increase awareness of Bridge to Members in the hope that the Bridge fraternity will expand.

Billiards

The Billiards fraternity made the Club group in the National Snooker League by finishing third in the highly competitive Division 4 category, led by Sub-Committee member Eden Tan. A total of six in-house Snooker & Pool events were organised and it was noted that the participation rate was good. Two new events, Snooker 6 Red Blind Double and Snooker Number Balls, were introduced and we have received good feedback on both.

The well-patronised billiard room is a popular place where inspiring

cueists gather. This has helped in growing the Billiards fraternity exponentially.

Billiard Convenor, Mr Emrys Phua and his Sub-committee Members are heartened to see the strong bond within the Billiards fraternity and hope that they will continue to enjoy the game.

Bowling

The Bowling calendar was once again packed with events throughout the year.

Three clubs competed at the 4th Senior Inter-Club Bowling mixed league, which was organised by Seletar Country Club, over a span of 15 weeks. At the end of it, our Club emerged Champion for the fourth consecutive year. In addition, Mr Lee How Wang clinched the second position for the Men Senior master event which was held on 10 March 2019. Congratulations to all participants for making our Club proud. Well done, everyone!



2018 saw another achievement by our youth team which defeated five other participating clubs and clinched the Championship title again at the 19th Youth Inter-Club, hosted by the National Service Resort & Country Club. We applaud our youth bowling team, including team coach John Liaw, for their efforts and achievements.

Our youth bowlers took part in the 19th Milo International Junior All Star Bowling Championship in Kuala Lumpur, Malaysia, from 27 November to 9 December 2018. They showed great fighting spirit and excellent sportsmanship in this tournament.

We are also proud of our results in the Inaugural World Junior Bowling Championship in Paris, France. Our 14-year-old youth bowler, Arianne Tay had succeeded in clinching the girls' Single gold medal with a bowling score of 230 pinfalls in the final, for a comfortable win over Finland's 15-year-old Peppi Konsteri, who managed only 190 pinfalls. She also won a Bronze medal for the team event. She is the first Singaporean to achieve this honour.

Bowling Convenor, Mr Edward Tan and his Sub-Committee would like to thank the bowlers for their continued participation in the bowling events.



Chess

Our Chess calendar started with the TCA Junior Chess Open Tournament which attracted 243 young players across different categories: Under 8, Under 10, Under 12 and Open Category. It was heartening to see many young players playing in the Open Category (for chess players below the age of 18 years) instead of competing with those in their own age group. The TCA Tournament, which has been organised by our Club for 19 years running, has been





rated by many as one of the best junior local Chess tournaments in Singapore.

Our Chess Team also emerged victorious in the Friendly with Tanglin Club, which our Club played host to this year. Other Chess competitions and events were well supported by Members and their friends too.

Chess Convenor, Mr Ronnie Ng and his Sub-Committee will continue to explore new ideas and events to get more Members interested in the game.



Darts

The Clubs Darts team had another busy year in 2018. As part of the Committees efforts to reach out to as many veterans, as well as potentially new and enthusiastic dart players for the Club, the inaugural Darts Survivor Showdown Elimination Match, Convenor Cup was introduced in April 2018. The event saw 36 darters trying to eliminate their competitors, to be the last darter standing as the winner.

The fraternity also organised several friendly matches to bond and socialise with Members from other clubs. The participation rate for in-house tournaments has been encouraging, resulting in more

Members coming forward to join the Clubs Darts team.

Darts Convenor, Mr Rick Seah and his Sub-Committee will continue to promote the sport and strives to further improve.



Fitness

New classes have been introduced to the Club as the Fitness Sub-Committee aims to introduce a variety of lessons that cater to various interest groups across different age groups.

For our Exploring Singapore Series, we had a hugely popular trip with 82 participants to the Southern Islands where they were able to enjoy the

serene nature of Kusu Island, St John Island and Lazarus Island.

For the gym, we continued the practice of a quarterly closure for the maintenance of the gym equipment and facilities to keep them in good working condition. Our gym sees an average daily patronage of 115 users of all age groups.

We also had our annual Family Fun Walk, which was organised as part of the Clubs week-long National Day Celebration. The President and Sports & Recreation Chairman flagged off the walk attended by more than 320 participants. After the 6.8km walk around Serangoon Gardens and Serangoon North Avenue, the participants picked up goodie bags and patronised the numerous food and game stalls at the lobby.

The Fitness Sub-Committee, led by Convenor, Mr Eddie Ng, will strive to organise fun fitness activities, as well as constantly upgrade and upkeep our facilities to serve Members better.

Golf

The Golf calendar was once again fully packed throughout the year. Apart from having golf events locally, a two-day-one-night golf trip to Batam was organised in conjunction with the Dr Lau Teik Soon Golf Challenge in April 2018.

Eight clubs participated in the Inter-Social Clubs Golf Tournament 2018 (ISCGT) which was renamed as Social Clubs Annual Golf (SCAG), of which our Club had the honour of hosting the inaugural edition of the rebranded tournament. One of



our Club's golfers, Khor Chee Kok managed to fend off 143 others to win the Overall Best Gross award.

In November 2018, the Golf Section held its annual Golf Section Tournament cum Champion of Champions at the Orchid Country Club, followed by a Dinner & Dance held at Club Twenty-Two at our Club. The overwhelming and positive response from Members bids well for the Golf Section, as they continue to attract more Members to the game of Golf.



The 16 players for the Champion of Champions are:

- Terrence Fernandez
- Aaron Lim
- Nicholas Lim
- Charles Koh
- Philip Leow
- Steven Lee
- Raymond Wong
- Michael Ong
- Manickavasager Swaminathan
- Richard Tan
- Philip Koh
- Henry Lam
- Koh Yiak Thim
- Koh Hoi Jam
- Ng Yook Koong
- Mike Tan

In separate Friendlies with Singapore Swimming Club and Singapore Cricket Club, our Club emerged victorious after two hard-fought games.

Golf Convenor, Mr Aaron Lim and his Sub-Committee would like to thank the golfers for their great support and readiness to represent the Club in the SCAG and friendly matches.



Swimming

The Liberty Insurance 50th Singapore National Age Group Swimming Championships 2019 was held in March 2019. Our Club's swimmer, Phoebe Ng took the Second place in two categories: Girl 12-years-old 50m Breaststroke and Girl 12-years-old 100m Breaststroke. Congratulations to Phoebe Ng and kudos to our swimmers!

At the Invitational Swim Meet in March 2019, the Club utilised an electronic timing system for the first time to reduce errors in time recording and display results after each heat.

The Swimming Sub-Committee, together with Ms Carole Ng, is pleased with the performance of our Club's team and will continue to provide more opportunities for them to compete and prepare them to excel in future competitions.



Squash

2018 was a busy year for the Squash Sub-Committee as we continued to serve with passion and conviction. Numerous one-day Squash events were organised as part of promoting a healthy lifestyle and strengthening bond efforts among Squash Members during post-event dinners. From August 2018, the Club also participated in the Cosmopolitan Squash League, playing against six other clubs over the duration of 3.5 months. The team fought well to take the fourth position, culminating in an enjoyable end-of-league dinner in early December 2018.

In recognising World Squash Day in Oct 2018, avid squash players also got together to pit their skills against one another in a friendly setting. The committee also organised the Serangoon Gardens Country Club-



Prince Junior Squash Championship for the 12th consecutive year in June 2018. This national-level event attracted about 78 participants. The Club is honoured to contribute to the promoting and nurturing of the next generation of Squash players for Singapore.

Considering the increasing popularity of Squash activities at the Club and on the national level, revenues generated annually from Squash court bookings by Members, and the longer term contractual establishment of Squash court rentals by RI, RJC and SMU, saw its revenue from squash bookings and rentals amounting to \$10,000. The latter arrangements were only possible through relations with the resident coach and his positive influence over the institutions' decision.

Lastly, with the leadership of the Squash Convenor, Mr Edwin Lee, the Sub-Committee will continue to remain committed in serving the squash Members and hope to make 2019 another awesome year of fun-filled activities.

Tennis

Tennis Junior Championships was organised twice yearly in September 2018 and March 2019, attracting over 120 participants. This event was introduced to promote Tennis to children and groom the next generation of Tennis players. The Club also participated in the STA Inter-Club Doubles League in September 2018. The players had to manage their busy schedules to compete with other Clubs in the tough matches.

A friendly match was arranged with TB Cougars in July 2018 to foster the bonding of players. An annual dinner was held in November



2018 at Garden Grill, to show our appreciation to those who have represented the Club in 2018 and those who have rendered their support to the Tennis Fraternity in one way or another.

Tennis Convenor, Mr Steven Lee and his Sub-Committee will continue to promote the sport and strive for further improvement.

Youth

The Youth calendar kick-started with a Sports Camp organised over two days during the school holidays on 11 and 12 December 2018. This event attracted a total of 16 children to the Club's very own SGCC Amazing Race, where they needed to answer as many questions on the featured Sports and the Club's various facilities. The featured Sports are Bowling, Billiard, Chess, Golf, Tennis, Squash, Taekwondo, Aikido, Judo and Swimming. All parents and their kids enjoyed themselves at a camp fire event before the camp ended with a prize presentation.

The Year Ahead

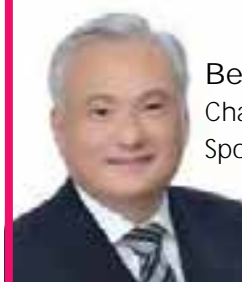
It has been a tremendous year of achievements that saw the Club's

athletes being recognised at Club and National levels. We will continue striving to organise events that will maintain the standard of competitiveness and encourage recreational Members to join various events in the Club.

NOTE FROM THE CHAIRPERSON

On behalf of the Club, I would like to register my appreciation to the Convenors and their Sub-Committees, sponsors and Members who have rendered their assistance in one way or another, to make our Sports & Recreation events and activities enjoyable and fulfilling. The commitment and hard work put in by the staff of the Sports & Recreation Department must also be recognised and commended.

Together, we shall continue to strive towards making Serangoon Gardens Country Club the best family club for our members.

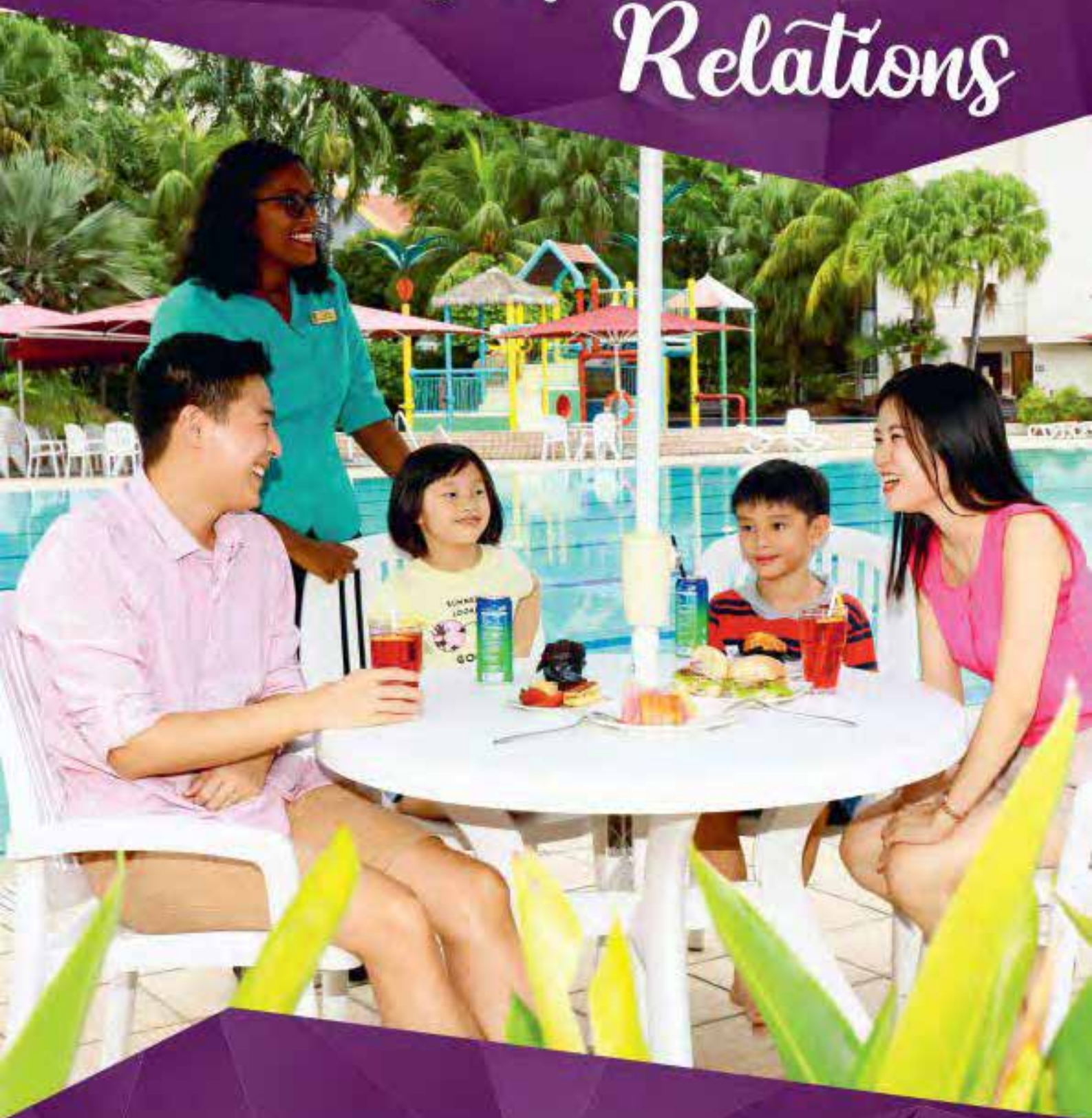


Benjamin Wong
Chairman
Sports & Recreation



Membership

Relations



MEMBERSHIP RELATIONS

The MR department acts as the Voice of the Club — the main communications driver for all Club matters to our Members, and those outside the Club. Its primary focus is on building and sustaining good relationships with Members by providing enhanced support to all membership matters.

As Brand custodians, the MR department also directs the overall

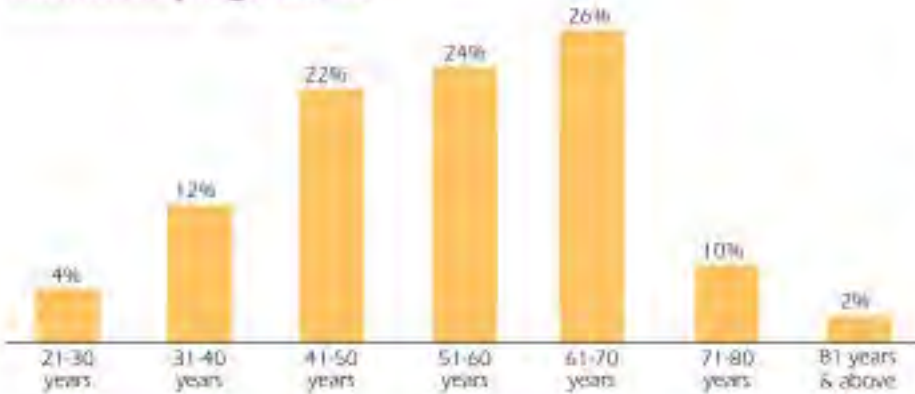
image of the Club through its various communication portals across owned, earned, paid and shared media channels on behalf of all other departments. In order to foster stronger relationships and build a quality membership experience, it is also responsible for organising a wide range of social and kids' activities, and maintaining effective communications and feedback channels.

Membership Profile

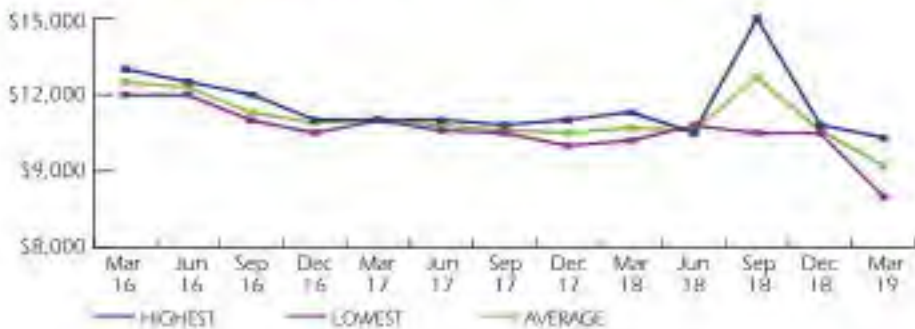
Type of Membership	No. of Members as at 31 March 2019	No. of Members as at 31 March 2018
Honorary	6	6
Life	6	7
Founder	8	8
Corporate	42	42
Ordinary	3,379	3,381
Term	171	197
Non-Transferable Ordinary	339	354
Grand	172	148
Total Members	4,123	4143



Membership Age Profile



SGCC Open Market Transaction Prices April 2016 to March 2019 (3-Year Data)



This year, we noticed a slight drop in Club membership from 4,143 to 4,123, which was mostly due to fewer sign-ups and renewals of Term Memberships largely as a result of numerous expatriate Members returning to their home countries. We continue to see an increase in interest for conversion to Grand Membership, with a 16% increase from last year. Voting Members constitute about 82% of the membership base. The age profile of the membership remains similar to last year, with majority in the age group of 61 to 70 (26%), followed by those in the age group of 51-60 (24%).

Transfer Fee Reduction

This year, there were no NTOM conversion schemes set in place.

However, a special Transfer Fee scheme was set in place from January to March 2019, thus reducing the transfer fee. This helps to encourage less active Members to transfer their membership to new and potentially more active ones to utilise more of the Club's facilities and join its activities.

The scheme successfully saw a

total of 26 transfers — new and active Members — to the Club.

Term Members

As of 31 March 2019, a modest decline with 171 Term Members was noted, as compared to 197 the previous year, with foreigners

making up about 95% of the entire membership category. Based on nationality, French Members continue to form the majority of Term Members at 69%.

Social Activities

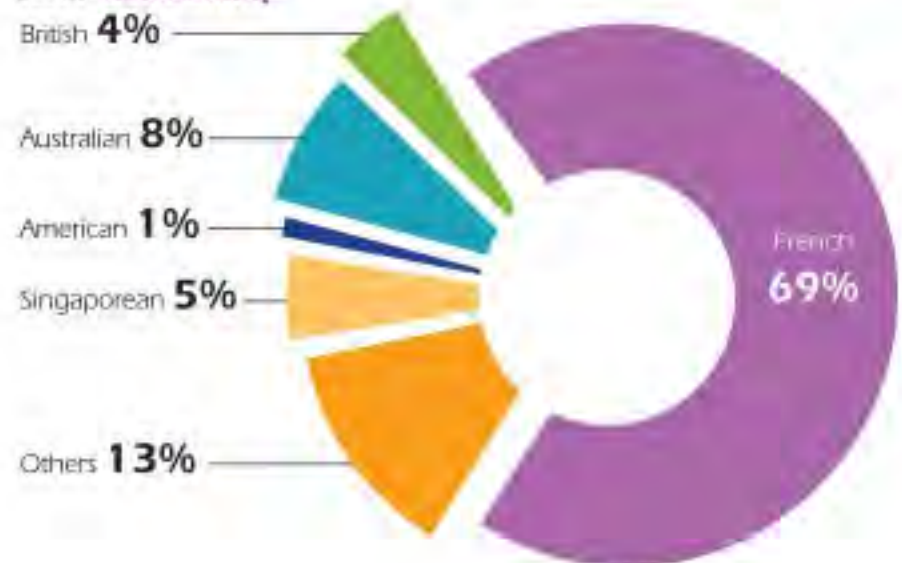
The MR department continues to add further value to our Club's membership by organising a plethora of social events, activities and workshops to foster bonding among Members and provide interesting programming.

Dance activities continue to be popular with our Members, followed by activities with nostalgic elements, which have seen a good pick-up by our more senior Members.

New Members' Gathering continues to be a priority for us to facilitate introductions with existing Members and get new ones to be more accustomed to the Club's facilities and activities. This presents a great opportunity for new Members to meet the General Committee and the respective Sports Convenors.



Term Membership





Senior Members

This year, the MR department has been more focused on creating quality programming for our senior Members, who were more engaged in talks covering conversational topics on health and lifestyle. This included sessions which help guide participants on keeping a healthy diet and taking care of their eyesight as they age. There was even a Traditional Chinese Medicine (TCM) talk on Unraveling the Secrets of Chinese Health Cultivation. Such sessions were met with overwhelming response.

We continue to plan popular activities such as the senior Members' Breakfast Gathering on the first Saturday morning of every month, Chinese Water Colour painting

workshops and various dance classes.

In February 2019, a Sub-Committee was formed to oversee and recommend more activities targeting senior Members.



Kids & Youth

The MR department continued to make gradual changes in strategies to embrace the Kids and Youth segment of our Membership. Our goal was to make them feel more connected to our Club beyond seeing it as a place for quiet study. As such, we organised more fun and relaxing workshops to

help take their mind off their busy school schedules. Some of these well-received activities included the T-Shirt Painting Workshop, Kawaii Stream Bun making class, Lego Robotics Workshop and the Fondant Cookie Decorating Workshop.

On 25 May 2018, we launched the much anticipated Pajamas Movie Night with the screening of SING at the Kensington Ballroom. As we see an annual increase in movie participation, we will continue to provide similar family-friendly activities for Members.

The 8 September 2018 annual Junior Gems Party; Space Adventure received a superb response from Members with more than 400 participants. The Junior Gems members tried their hands at space-related handicraft, played games and commemorated their space adventure by posing in astronaut suits.

Major Social Events

Club-level social events have enjoyed huge success and participation due to new changes targeted at being more inclusive in our events' programming. We have seen exceptionally strong support from Members, with an average participation turnout of between 300 to 400 Members and their guests. Major social events such as the National Day Carnival had a mix of nostalgic games and trendy activities like drone flying. The deliberate attempt to remember the past and embrace the futuristic fun resulted in spontaneous fun and laughter from Members, especially





when young members battled it out on the Colosseum Warrior.

Ever since the team adopted a new approach to the Club's annual Christmas light-up performance, we have witnessed greater turnout and participation on the actual event day. The Whimsical Magical Christmas Light up had talented young members stepping forward to share their passion for performing. All in, the event saw an estimate of more than 500 Members and guests.

Members also took the opportunity to do their part for the community

by contributing generously to our donation drive for Chen Su Lan Methodist Children's Home. We saw a 100% gift adoption rate for "Gifts from the Heart", which aimed to make a positive impact on children from the Home. Some Members even created handmade cards with notes of encouragement for the children.

Since 2007, the Club has been actively working with Sun Love Home to bring joy to its senior citizens too. The Club hosted an annual Tea Party at Club Twenty-Two to provide an afternoon of music and entertainment

for the seniors. Members also offered their time to sing and dance with the seniors from the home.

Countdown to 2019 Party

Working collectively as a team across different departments has improved participation and awareness for club events exponentially. This was reflected at the power-packed Annual Countdown Party; Rock Around the Clock, which saw participants having a great time, with some dancing from evening till past midnight. Talented host Alex Tan and his team of dancers set the right party mood for the night with their energetic and engaging entertainment. No doubt, our next countdown party will be set to create the right "Buzz" among our Members.

Chinese New Year is about keeping traditions alive. The team aimed to set the right mood for the festive celebration. There is no denying that we set the benchmark higher every year to create the right atmosphere for our Members. This includes inviting an award-winning Lion Dance Troupe to perform at our Club.





The Year Ahead

Top on the list of priorities for the MR department is introducing greater value to the Club membership, and striving to increase the quality and frequency of its programming for the year. The team will also look into segmenting activities to be all-inclusive, reaching out to all groups and categories. We aim to increase our focus on the youth and young adults age group by providing targeted programmes to engage them more as a part of our community.

Currently in the planning stage are strategies to beef up Membership benefits with partnering brands which we feel Members will look forward to. With support from our F&B department, we are also looking into implementing four new Series: the After Dark Series, SGCC Night

at the Theatre Series, Weekly and Thematic Movie Screenings, as well as Afternoon Tea Showcase.

To increase the value of our Membership for our Corporate, C-Suite level Members, and any Members looking at opportunities for business networking, we are planning to create a monthly cocktail session to encourage business discussion and exchange. We look forward to introducing all these in the coming months.

The team is also looking into introducing new and interesting schemes to attract new Member sign-ups, incentives for existing Members who would like to recommend friends to the Club, as well as Members looking for value-added services such as the ability to bid for your own Membership Identification Number (Mi Number).

NOTE FROM THE CHAIRPERSON

I would like to thank my Membership Relations Sub-Committee, Management and staff for their continued contributions in addressing Members' concerns, and elevating Membership experience. The MR department will continue to create interesting programming for our Members, and promote more bonding and interaction with Members.



Mr Jack Rodrigues
Chairman
Membership Relations

Security



SECURITY

The security team plays a crucial role in keeping the Club safe and secure for our Members and guests, as well as in protecting its assets and property with regular patrolling, surprise spot checks, 100% Membership card checks and thorough inspection of its premises. We also manage the car park operations and enforcement of the Clubs bye-laws.

One recent initiative is the introduction of a more comprehensive verification process for visitors, vendors, contractors and clients who visit the Club. We have also implemented renewed security procedures that include the issuing of visitor passes to all non-Members and non-Staff entering the Clubs premises, as well as the creation of a new security post within the main lobby as a secondary checkpoint.

Over the last year, we have increased the number of Closed-Circuit TV (CCTV) cameras at more locations and blind spots to provide better coverage of the entire Club to enhance security and surveillance efforts. These CCTV cameras have assisted us in our investigations of certain incidents which occurred in the Club, and even helped to solve some of them.

We continue to find innovative ways to improve on the safety, security and exclusivity of every Member and Staff. We continue to consistently review our Standard Operating Procedures (SOPs) to further improve and tighten security in the Club.

Training

We take pride in ensuring our Security Officers are well-equipped with the necessary skills and knowledge to execute their tasks. The Recognize Terrorism Threats (RTT) course by the Police Licensing Regulatory Department (PLRD) was the most recent — and compulsory — course that we have attended.

We are proud to share that our Security team is now competent in addressing and recognising potential terrorism threats within our premises. Moving forward, Security personnel will have to attend relevant courses to upgrade their skills, including customer service training.

The Year Ahead

The Security team will continue to stay vigilant and alert to ensure security and safety in the Club.

We are currently working with the management to research the possibility of tightening up security further by implementing card-base access control systems in designated areas within the Club. We are also looking into upgrading the electronic parking systems (EPS) capabilities to detect and read the new contact-less cash cards issued by the Land Transport Authority (LTA). In addition, more CCTV cameras will be installed and upgraded to High Definition (HD) Digital Video Recorders (DVR) for better clarity and imaging purposes.

NOTE FROM THE CHAIRPERSON

The Security team has done a tremendous job over the past few months in ensuring the safety of our Members. We cannot afford to be complacent with Security, and I'd like to thank the Management and Security team for answering the call to maintain the exclusivity of our premises.



George Lim
Chairperson
Security

Facilities, Maintenance & Safety



FACILITIES, MAINTENANCE & SAFETY

The Maintenance & Housekeeping team strives to provide a safe and pleasant environment in the Club for our Members and guests to enjoy. To achieve their objectives, the team conducts periodic inspections, maintenance and upgrading works on the Clubs facilities.

As our Club continues to evolve with the changing times, so must we work harder to ensure that relevant and necessary upgrading works are carried out in a timely manner for the convenience and comfort of our Members.

Upgrading works carried out over the past year include necessary functional and aesthetic changes in and around the Club.

Most prominently, our Members will notice improvements to the flora around the Clubs premises. The new gardening changes include a more holistic landscape, as well as improvements for the safety of everyone within the premises.

For your Convenience and Relaxation

We have upgraded the Gym planter area with a Zen garden concept. The space is often looked upon by our Gym users, and a more serene landscape was recommended to provide unobstructed and calming views to Members.

We upgraded the planters with a more pleasing aesthetic of plants and flowers around the Club.

Planters around the General Committee parking spots were upgraded at a minimum cost as the plants were propagated by our own gardeners at the back of the house.

The Scooter parking area was refurbished to add greater security and space for an increasing number of scooters used by Members who visit our Club. It is located just behind the main Security guard post to ensure heightened security for owners of the scooters and added safety for all Members, as scooters will not be allowed to be ridden beyond the security post.





In order to provide more comfort to our Members and guests who smoke, and in response to feedback from the former, we have increased the capacity of the Smoking Point located near the main security post.

Our landscape contractor has been monitoring the health of our trees on a regular basis. We have removed two Tecoma Trees, one Iron Wood tree and one Australian Pine tree due to safety reasons.

We have extended the fencing at the old station to prevent intruders into the Club.

For Increased Safety and Security

We installed secure door access that came with remote controllers for the Membership Relations Office to enhance the security of our Members' data.

To prevent intruders from entering the Club, we installed spikes on the Heliconia Wing metal gate and fencing.

We replaced the fluorescent light fittings with LED light fittings at the covered walkway leading from Palm Wing to the main building for greater visibility when it gets dark.

We conducted a check on the high mast at the pool deck area for security purposes. Although it has been verified to be still in good condition, we went ahead to repaint it with anti-rust.



General Upgrades and Improvements

The upgrading of the Atrium kitchen exhaust system, partial replacement of floor tiles, replacement of light fittings with LED light fittings and replacement of false ceiling commenced on 5 March 2018. It was handed over to the Club on 26 March 2018. The Kitchen resumed operation on 2 April 2018.

We installed two additional exhaust fans, five 20-inch industrial

wall fans around the cooking range area and two more at other areas to keep the kitchen cool.

Additionally, we replaced the air-conditioning features at Swatow restaurant and Kensington Ballroom with the latest Daikin VRV 4 energy efficient air conditioner, which helps to provide the right amount of cooling air, while keeping our energy bills manageable.

Due to downsizing of the Jackpot room to meet new guidelines, a new room, Carnation, was created. We installed 12 additional down lights to brighten it up for use by our Banquet team for private bookings.

The Steam Generator in the Female steam room was in need of replacement due to wear and tear, so a new generator was installed.

To mitigate the impact on increased water tariff, we installed a constant pressure valve, which comes with by-pass valves and pressures gauges for the Male Changing Room. With the incoming pressure set at about four bars, and the constant outgoing pressure at about 2.3 bars, we would be able to save water by about 42.3%.

With the repositioning of Crossroads Lounge to accommodate new activities during daytime, there was a need to increase the lighting within the lounge to provide a brighter, more welcoming



atmosphere. Thus, we installed additional LED downlights to brighten the space. The Lounges technical wiring was also upgraded to help facilitate new events and activities occurring within the space.

Due to wear and tear, some of our façade needed to be changed or repainted. We attended to the changing of the fabric for Garden Grills awnings, replacement of three Alfresco poolside umbrellas, repairs to the damaged roof eaves and general repainting of the new wings façade.

Fire Safety And Emergency Response

We conducted the first fire drill with 174 participants on 12 April 2018 and the second one with 54 participants on 10 Oct 2018.

We also completed the Company Emergency Response Team (CERT) audit with the Singapore Civil Defence Force.

Pest Control

New protocols have been set in place to ensure the continued health and safety of all within our premises. These protocols include weekly and monthly procedures.

General pest control treatment was carried out for the entire Club on a monthly basis as to curb the possibility of pest-borne diseases and germs such as dengue fever.

Mosquito misting and larviciding treatment were carried out on a weekly basis.



Night fumigation for Ballroom kitchen, Garden Grill kitchen, Atrium Café kitchen and Coffee Deli area was carried out on a monthly basis.

Mosquito fogging was carried out every fortnight for the entire Club, and every week for the planter areas at the swimming pool area.

The Year Ahead

We are in the planning stages of creating a nursing room space within Kiddieland for the privacy of young mothers who wish to provide the best care possible for their babies in a stress-free environment.

We have also scheduled repairs to the roof eaves and repainting of the façade of the new wing. Along with these plans, we will be installing additional sun shades at the main buildings lobby area as a shield from direct sun light. This will help to reduce heat and create a more relaxing and conducive environment.

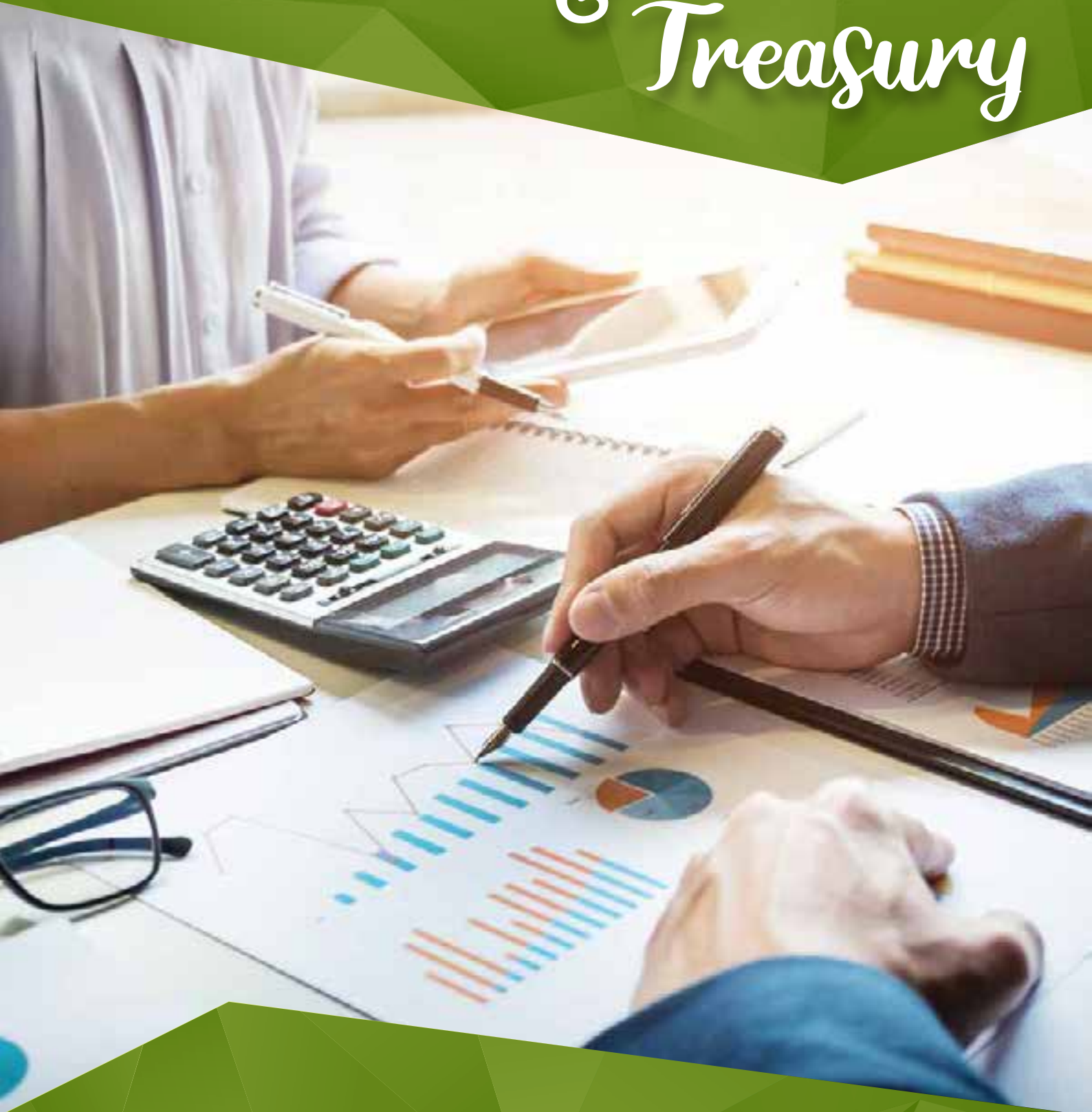
NOTE FROM THE CHAIRPERSON

I would like to extend my heartfelt appreciation to Members' constructive feedback and suggestion on improving the Clubs facilities. I would also like to thank Charles Ling, FMS Manager and his team for their continuous effort in maintaining the Clubs facilities beyond its useful life span.



George Lim
Chairman
facilities, maintenance
& Safety

Finance & Treasury



FINANCE & TREASURY

The Club ended the financial year 2018/2019 with a Net Operating Surplus of \$0.233 million (before non-operating income and expense) as compared to \$0.250 million in the previous year.

The team had achieved it by streamlining processes, remaining productive yet frugal with expenditure, and reprogramming

activities in and around the Club, without compromising on the safety and high quality standards that we offer our Members and guests.

With reduced revenue and rising costs, we had to find means of mitigating the expected shortfall. Without the imposition of minimum spending level and increased monthly fees, the Management and

Table 1: Overall Performance of the Club

HIGHLIGHTS OF FINANCIAL RESULTS FOR THE PAST FIVE YEARS	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
OPERATING INCOME					
Subscriptions	3,423,225	4,132,016	4,251,294	4,226,127	4,202,796
Transfer Fees (FY1819 - Jul18 to Mar19)	-	-	-	-	430,865
Miscellaneous Income	350,023	363,778	232,622	249,283	196,541
Lease Rental Income	479,105	482,587	523,767	515,417	488,519
Contributions/ (Deficit) from:					
Fruit Machines	1,237,753	1,290,647	1,294,047	754,980	329,200
Facilities Booking	220,572	219,621	219,056	221,236	223,247
Other Activities	62,349	47,935	92,408	94,189	109,089
Food & Beverage	(53,741)	(127,571)	(226,614)	(369,381)	(329,840)
	5,719,286	6,409,013	6,386,580	5,691,851	5,650,417
Less:					
EXPENDITURE					
Operating and Administrative	4,303,656	4,412,573	4,207,672	4,243,699	4,250,479
Repair, Maintenance and Housekeeping	551,018	605,148	596,609	618,181	555,373
Water and Electricity	980,056	826,329	725,601	580,124	611,302
	5,834,730	5,844,050	5,529,882	5,442,004	5,417,154
NET OPERATING SURPLUS / (DEFICIT) BEFORE DEPRECIATION	(115,444)	564,963	856,698	249,847	233,263
<u>Add: Non-Operating Income</u>					
Entrance Fees	1,218,561	816,125	841,675	816,189	457,650
Transfer Fees (FY1819-Apr to Jun18)	427,610	484,830	424,260	471,195	92,310
Interest Income	11,054	22,056	28,135	27,167	42,216
<u>Less: Non-Operating Expense</u>					
Depreciation of property, plant and equipment	(1,741,697)	(1,490,391)	(1,397,331)	(1,433,330)	(1,339,185)
Gain/(Loss) on disposal of property, plant and equipment	(8,507)	(52)	(2,848)	(18,755)	31
NET SURPLUS / (DEFICIT) BEFORE TAX	(208,423)	397,531	750,589	112,313	(513,715)
Taxation	8,033	(37,646)	(49,955)	(50,806)	(48,547)
NET SURPLUS / (DEFICIT) AFTER TAX	(200,390)	359,885	700,634	61,507	(562,262)

Sub-Committees worked hand in hand to implement more productive methods, and reduce wastages without compromising the safety and comfort of our Staff, Members and guests.

Cash Reserves

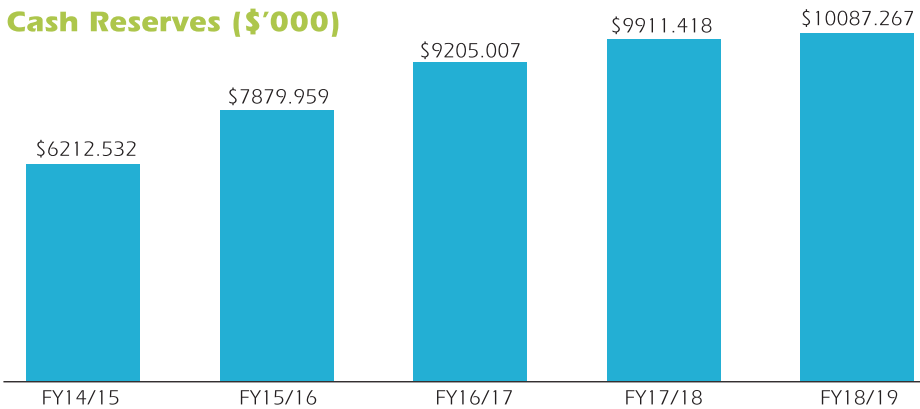
The Club operates on the fundamental premise that it was built and maintained by Members in the past, and current Members have the obligation to ensure its facilities are in the same, or better, condition for the future. This is to make sure the facilities are maintained by undergoing periodic renewal, upgrade and replacement. Similarly, we must maintain and accumulate sufficient funds in order to make all these improvements and expansion possible in the future.

As at 31 March 2019, the total cash reserves for the Club is at \$10.08 million. These funds are held in the form of fixed deposits and cash at bank. On top of this, the Club has investment securities of \$518k in triple-A rated bonds, which were issued by a statutory board of the Singapore Government, invested in May 2018.

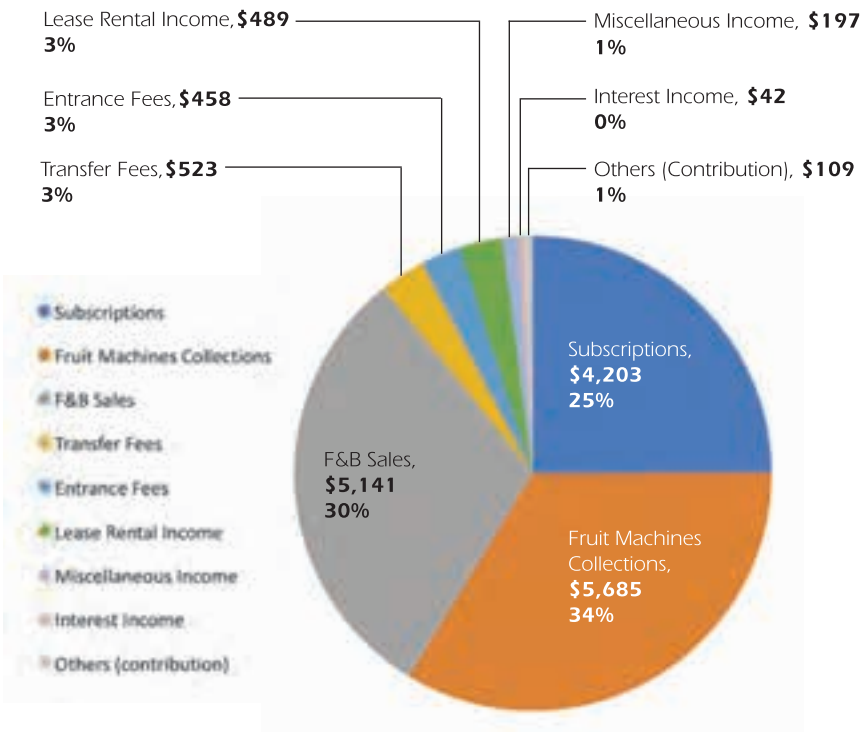
Table 2: Revenue

Revenue	FY 14/15 \$'000	FY 15/16 \$'000	FY 16/17 \$'000	FY 17/18 \$'000	FY 18/19 \$'000	FY 18/19 vs FY 17/18 Variance \$'000
Subscriptions	3,423	4,132	4,251	4,226	4,203	(23)
Fruit Machines Collections	13,323	14,467	13,365	8,999	5,685	(3,314)
F&B Sales	5,805	5,830	5,470	5,323	5,141	(182)
Transfer Fees	427	485	424	471	523	52
Entrance Fees	1,219	816	842	816	458	(358)
Lease Rental Income	479	483	524	515	489	(26)
Miscellaneous Income	350	364	233	249	197	(53)
Interest Income	11	22	28	27	42	15
Others (contribution)	62	48	92	94	109	15
Total	25,099	26,647	25,229	20,720	16,847	(3,874)

Cash Reserves (\$'000)



Revenue (\$'000)



NOTE FROM THE CHAIRPERSON

I thank the members of the General Committee and the Management Team for their dedication and continual efforts to be vigilant in monitoring and exploring ways to improve the Club's operations.

Finally, I would like to extend my sincere appreciation to my fellow Finance Sub-Committee members for contributing their time and expertise to drive efficacy and rigours in our policies and procedures.



Rayner Ng
Honorary Treasurer

Human Resource



HUMAN RESOURCE

Commendable results for FY18/19 were made possible with manpower optimisation. This included staff taking on expanded roles and rotational roles for exposure, career development and growth. They were unwavering in their support when changes and new initiatives were introduced. They were also committed to achieving service excellence for our Members. We thank them for their staunch support,

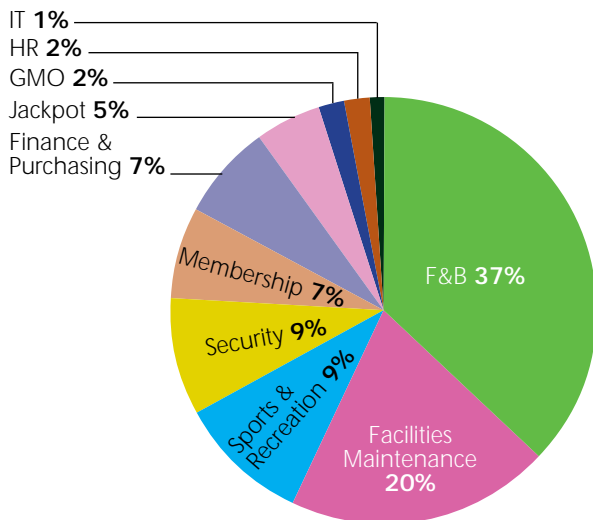
commitment and dedication.

Staff Strength

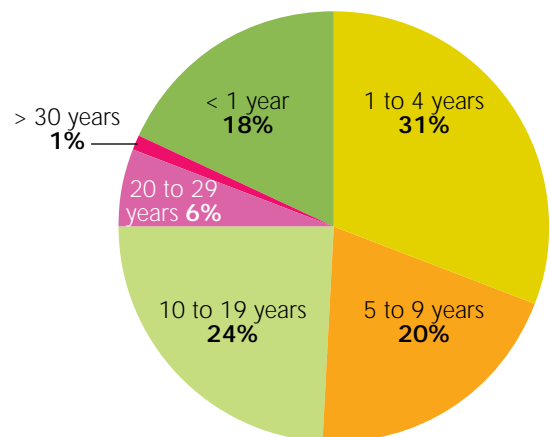
The Clubs staff strength was standing at 126 by the end of FY18/19. During the year, we managed our staffing level through better understanding of operational requirements, manpower planning and projection in order to optimise resources for effective club operations.

Here is an overview of staff demographics:

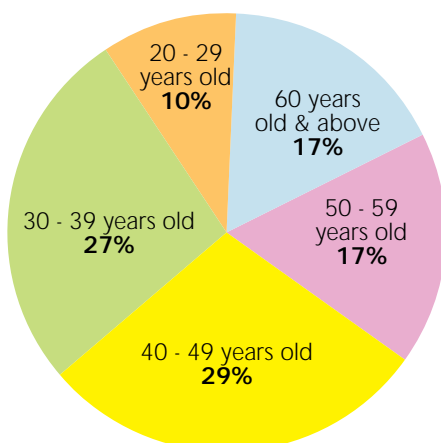
Staffing by Department



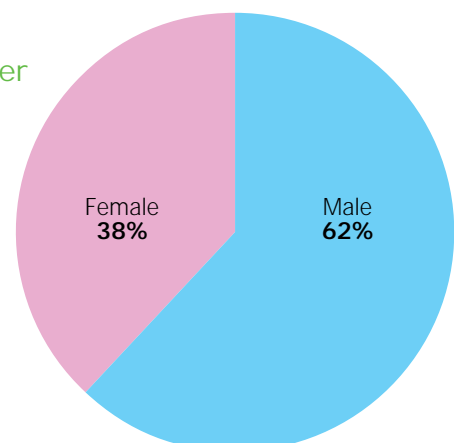
Staff Tenure



Age Group



Gender



Strategic Initiatives And Staff Development

Automation - Time Management System (TMS)

We cut down on paperwork with a web-based software that captures and calculates work hours for seamless attendance recording and payroll processing.

Employee Self Services (ESS)

Staff can access the web-based software via their computer terminals or mobile phones to update personal data, apply for leave, check leave balances and view pay slips.

FLEXIBLE WORK ARRANGEMENT (FWA)

Staff who are not involved in frontline work may leverage the FWA scheme to balance work requirement with family commitment. This will ensure that they are available to attend to Clubs requirement without comprising timeline and service delivery.

Skills And Competency Training

- Emergency readiness and occupational first aid
- Recognition of terrorist threats and security operations by all security operation staff
- Service Excellence
- Food Safety and Hygiene
- Barista Skills
- Implementation of Incident Management Process
- Personal Data Protection Act (PDPA) awareness for frontline staff, as well as the understanding and developing of standard operations procedures in compliance with Personal Data Protection Commission (PDPC) for management and executive level staff

Professional Development

- Restaurant Revenue Management in the Hospitality Industry for key F&B staff
- Workforce Skills Qualifications (WSQ) Leadership & People Management for staff with leadership potential

Staff	Department	Years Of Service
Chang Jingru Mahatheva Packri John Yeo Stephen Dagatan Suresh Ramal Thong Hong Sin Danny Lim	Facilities Facilities Admin/Dispatch Food & Beverage Food & Beverage Food & Beverage Food & Beverage	5 YEARS
Tamilarasu Vjakumar Henry Goh Shirley Go May Chew	Facilities IT Sports & Recreation Sports & Recreation	10 YEARS
Neo Ai Kee Mageswary Mariapan	Facilities Security	15 YEARS
Nargarajan Kuppusamy Liza Binte Mustafa Teng	Facilities Food & Beverage	20 YEARS

Health, Wellness And Staff Engagement

- Workshop on stress management through stomp percussion by Health Promotion Board
- Talks on Healthy Mind and collaboration using Whole Brain® model for personal and professional success
- Annual SATA health screening for all staff
- Year-end tea party for all staff
- Annual staff appreciation dinner, which concluded with a presentation of Long Service Awards to 20 staff for their years of long and dedicated service to the Club.

The Year Ahead

We were successful in managing manpower cost through manpower optimisation. Moving forward, we aim to forge stronger bonds and work together to align Key Performance Indicators (KPIs) with the Clubs objectives. We will continue to raise learning and development capabilities for staff at all levels, as well as bring about strategic and resourceful deployment of talent and analytics, to deliver exceptional and unique experiences for our Members and their guests. Having passion, and positive attitude drives us and that helps to make a difference in everything we do.

NOTE FROM THE CHAIRPERSON

I would like to thank the Management and Staff for a year of hard work and dedication, which significantly contributed to the objectives of the Club.



Rayner Ng
Chairman
Human Resource

MINUTES OF 61st ANNUAL GENERAL MEETING HELD ON 24 JUNE 2018

General Committee (GC)

President	Mr Randy Sng (Chairman)
Vice-President	Mr Lee Say Yeow
Honorary Secretary	Dr Edmond Tan, PBM
Honorary Treasurer	Ms Wong Sook Yee
Assistant Honorary Secretary	Mr Peter Chia
Assistant Honorary Treasurer	Mr Frederick Kang
Committee Members	Mr Terrence Fernandez Mr Joseph Koh Mr Gilbert Low Mr Ansband Tan Mr Christopher Tan Mr Tan Yew Teong Mr Koh Jin Kit

Trustees	Mr Hendrick Koh Mr Pao Kiew Tee Mr Anthony Tan
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Auditors	HLB Atrede LLP Certified Public Accountants
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Legal Adviser	Lee & Lee Advocates & Solicitors
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IN ATTENDANCE

General Manager	Mr Goh Juak Kin
Heads of Departments	

Total Number of Voting Members Present: 439

1.0 PRELIMINARIES

With a quorum present as confirmed by the General Manager (GM), the President called the meeting to order at 1.05pm. He welcomed and thanked members for taking the time to attend the 61st Annual General Meeting ("AGM").

1.1 PRESENTATION OF TOKENS OF APPRECIATION

Before proceeding with agenda item one - Election of the General Committee ("GC"), the GM called upon Club Trustee, Mr Hendrick Koh, to present the tokens of appreciation to outgoing GC members who had completed their term of office from June 2016 to June 2018.

Mr Terrence Fernandez, Committee Member,
Mr Joseph Koh, Committee Member,
Mr Gilbert Low, Committee Member and Chairman for Sports & Recreation,
Mr Christopher Tan, Committee Member,
Mr Tan Yew Teong, Committee Member,
Mr Ansband Tan, Committee Member and Chairman for Facility, Maintenance & Safety,
Mr Fred Kang, Assistant Hon. Treasurer and Chairman for Food & Beverage,
Mr Peter Chia, Assistant Hon. Secretary and Chairman for Security & Discipline,
Ms Wong Sook Yee, Hon. Treasurer and Chairman for Finance & Purchasing,
Dr Edmond Tan PBM, Hon. Secretary and Chairman of Jackpot,
Mr Lee Say Yeow, Vice-President and Chairman of Projects & Tender and Chairman of Membership & Service Excellence, and
Mr Randy Sng, President and Chairman of Human Resource.

The GM thanked Mr Koh Jin Kit who had served on the GC from June 2017 to June 2018. Mr Koh had resigned from the post of Committee Member to stand for election as President.

2.0 PRESIDENT'S ADDRESS

2.1 *Introduction*

To open the address, the President took the meeting through slides showing some major trends.

2.2 *Highlights of Key Initiatives and Improvements*

The President shared the highlights of some key initiatives and improvements that had taken place over the 2017/2018 Fiscal Year (FY 17/18) – the air-conditioners replacement at the Heliconia Wing, the upgrading of the Atrium Café's kitchen exhaust system, the interlocking tiles around the driveway, the retiling of the spa pools and upgrading of its control system, the upgrading of the bowling backend system and the addition of new gym equipment.

2.3 *Treasury Status*

The President reported that at the beginning of FY15/16, the Club adopted the Treasury Safeguarding Framework ("TSF"), with the Financial Reserve at that time standing at \$3.17 million. This had grown to \$5.66 million by end FY 17/18 (refer to table below).

The Club closed with a healthy treasury position for FY17/18, as follows:

	FY 17/18 Actual	FY 16/17 Actual	FY 15/16 Actual	FY 14/15 TSF Opening Position
Financial Reserve	\$5.66m	\$4.99m	\$4.21m	\$3.17m
Cash for Operating Needs	\$4.25m	\$4.21m	\$3.67m	\$3.04m
Cash Reserve	\$9.91m	\$9.20m	\$7.88m	\$6.21m

2.4 *Clubs Financial Performance and Trends*

The President took the meeting through the following charts:

- Financial Performance – Income Vs Key Expenses
- Financial Performance – Net Surplus before Depreciation and Tax
- F&Bs Financial Performance
- S&R Net Income
- Jackpot Performance

2.4.1 The trends for Total Income, Operating Expenses, Repairs and Maintenance and Utilities have been positive since FY13/14 with the exception of FY17/18 where a dip was seen in Total Income.

2.4.2 The President then talked about the healthy trend of the Financial Performance (Net Surplus before Depreciation and Tax and Surplus before Income) until FY17/18, when there was a decline.

2.4.3 Next was the F&B Performance – charts showing the trends of F&B performance over the last 5 years, including banquet sales, were displayed.

2.4.4 For Sports & Recreation, a healthy trend was reflected from FY15/16 to FY17/18.

2.4.5 Moving on to Jackpot, the President explained that the Fruit Machines contributed to an average annual contribution of \$1.2m from FY14/15 to FY16/17. The vast dip from FY16/17 to FY17/18 was due to new Government regulations implemented for Jackpot operations. The contribution from Jackpot was projected to be negligible for the future years.

2.4.6 Operating cost increases are projected, mainly for utilities, manpower and maintaining ageing infrastructure. The total projected shortfall (Jackpot contribution and increasing operating expenses) was estimated to be about \$1.5m for the coming year.

2.4.7 The President explained that in balancing the budget for FY18/19, the GC took into consideration members' suggestions from two dialogue sessions held in April and May 2018. In particular, it was noted that the Club could use the operating surplus generated from the last three Fiscal Years totalling \$1.46m. This surplus was attributed to the subscription increase which was implemented at the beginning of FY 2015/16.

2.4.8 The President suggested that to meet the shortfall, there are two possible options:

- (i) Implement a Minimum Spending Levy (MSL) of \$50 a month, supplemented by a \$20 subscription increase, effective July 2018.
- (ii) Amend the Constitution to unlock the past three years' operating surplus. This will defer the MSL and subscription increase, but is conditional upon members voting for the amendment.

2.4.9 In ending his address, the President indicated that he would discuss Option (ii) in greater detail further on in the proceedings dealing with Constitutional changes.

3.0 TO ELECT MEMBERS OF THE GENERAL COMMITTEE

3.1 The GM announced that a total of 33 nominations were received for election to the 13 positions of Committee Member at the close of nominations on 16 June 2018.

3.2 Before commencement of the voting process, the President informed the House that a letter bearing 38 members signatures had been received to be dealt with under "any other business".

3.2.1 The letter requested that the Club disclose the following information (before voting commenced):

a) The number of GC meetings held in the following periods together with the attendance record of the GC members at the meetings:

- (i) July 2016 to June 2017
- (ii) July 2017 to May 2018

b) GC members' attendance at the last AGM.

c) The length of time each candidate (who was not serving in the current GC) has been a member of the Club.

3.2.2 A slide with the requested information was then presented to members.

3.2.3 Responding to Mr Pao Kiew Tees query, the President explained that where a dash was indicated in response to the information sought, it meant that the candidate had not given his consent for the information to be disclosed.

3.3 The President then called upon the election candidates to introduce themselves.

Three nominations for President:

- Mr Fernandez Terrence
- Mr Koh Jin Kit
- Mr Lee Say Yeow

Three nominations for Vice-President:

- Ms Gan Genie Sugene
- Mr Lim King Leong Tony
- Mr Wong Van-Tse Benjamin Leo

Three nominations for Honorary Secretary:

- Mr Ho Soon Wah Daniel
- Dr Tan Chok Jueh Edmond PBM
- Ms Wong Kwee Keow Emily

Three nominations for Honorary Treasurer:

- Mr Goh Kong Yong Joseph
- Mr Ng Chun Piaw Rayner
- Mr Teo Kim Ngo Francis

Three nominations for Assistant Honorary Secretary:

- Mr Kang Hong Chee Frederick
- Mr Lee Meng Kai Eric
- Mr Low Teck Hian Gilbert

Three nominations for Assistant Honorary Treasurer:

- Mr Lam Kuet Keng Steven John
- Mr Lim Swee Kuan Ignatius
- Mr Rodrigues John Jack Patrick

Fifteen nominations for seven positions of GC Member:

- Mr Chia Kwang Hai Peter
- Ms Chua Lay Pheng Elena
- Mr Heng Song Kwang Ivan
- Mr Koh Thuan Joo Joseph
- Mr Krishnan Mathivanan Mathin
- Mr Lim Yort Gue George
- Mr Phuah Lian Heng
- Mr Puah Neo Peng Chiew
- Mr Rachmadi Paul
- Mr See Kim Xiang Xavier
- Mr Tan Wah Hong Ansband
- Mr Tan Yew Teong
- Ms Tay Wee Ling Linda
- Mr Teng Leng Hock
- Mr Wong Wai Loong Kenneth

- 3.5 Following the introductions, the voting procedures were explained to the House. Three scrutineers were invited to witness all stages of the voting process, including the vote counting. They were Mr Kevin Kwek, Mr Rick Seah and Mr Vincent Tan.

The President also invited the three Trustees and the auditors' representatives to witness the voting process, after which he announced the commencement of voting.

4.0 TO CONFIRM THE MINUTES OF THE 60TH ANNUAL GENERAL MEETING ON 24 JUNE 2017

- 4.1 The minutes of the 60th Annual General Meeting held on 24 June 2017, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Thomas Cheok and seconded by Ms Molly Chua.

5.0 TO RECEIVE THE ANNUAL REPORT AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

- 5.1 As a point of clarification, the President apologised for the mistake on Page 76 of the Annual Report, under Note 9, where the Net Accumulated Funds at end of year should be read without the brackets. Correction stickers would be placed over the error in undistributed copies of the Annual Report.

- 5.2 There being no further comments or questions from the floor, the Annual Report and Accounts for the year ended 31 March 2018 were received and passed as proposed by Ms Catherine Lim Phing Er and seconded by Mr Lee Phee Teck.

6.0 TO APPOINT AUDITORS FOR THE ENSUING YEAR

- 6.1 The Honorary Treasurer, Ms Wong Sook Yee ("WSY") reported that the GC was satisfied with the performance and services of the present auditors, HLB Atriede LLP.

WSY reported that the auditors had always been very professional in their interaction with the Club. Most importantly, they have always met our very tight deadlines. In addition, there were some new financial reporting standards effective this year for which they have provided relevant and appropriate guidance to the Club.

- 6.2 There being no objections from the floor, the Honorary Treasurer then proposed that HLB Atrede LLP be appointed as the Club's auditors for the ensuing financial year and this was seconded by Mr Tony Lim.

7.0 **TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTION AS RECOMMENDED BY THE GENERAL COMMITTEE:**

"That subject to the approval of the Registrar of Societies, the Constitution of the Serangoon Gardens Country Club be amended in the manner as set out in Appendix 1."

(A set of the Constitutional Amendments had been mailed to members together with the notice of meeting and annual report and the letter dated 11 June 2018 on an additional amendment).

- 7.1 Referring to Appendix 1, the main change, to Clause 26A.2 was as follows:

Existing Rule	Proposed Rule (in bold)
<p>26A.2 <u>Financial Prudence</u></p> <p>The Committee shall manage the finances of the Club prudently. Without limiting the generality of the foregoing, the Committee shall ensure that:</p> <p>(d) 10% of the Clubs Net Operating Surplus (before Depreciation and Amortisation) shall be deposited into the Financial Reserve, and balance shall be used as Working Capital;</p>	<p>26A.2 <u>Financial Prudence</u></p> <p>The Committee shall manage the finances of the Club prudently. Without limiting the generality of the foregoing, the Committee shall ensure that:</p> <p>(d) 10% of the Clubs Net Operating Surplus (before Depreciation and Amortisation) shall be deposited into the Financial Reserve, and balance shall be made available to meet operating expenses in subsequent years; and</p>

- 7.1.1 In taking the House through this proposed amendment, Committee member Mr Koh Jin Kit ("KJK"), also a member of the Finance Sub-committee, drew a parallel and explained that at the national level, the Singapore government has a Fiscal Policy: the President, with the second key, would have to approve the unlocking of the reserve for the Government to use for operating expenses. On the other side, there was the land sale and the revenue went into the reserves directly.
- 7.1.2 At SGCC, we have the TSF fiscal policy and the Club must run a balanced operating budget. The budget surplus of 10% goes to Financial Reserve and the balance to working capital. The members hold the second key and their approval is needed at the AGM to unlock the surplus to meet operating expenses.
- 7.1.3 KJK stated that the other portion was for the Financial Reserve. The entrance fee, the transfer fee and 10% of the net operating surplus goes into the Financial Reserve. At the national level, the first time that the Government dipped into the reserve to use the surplus to fund the budget was in 2009.
- 7.1.4 At this AGM, the GC proposed to unlock this surplus to be used for future operating expenses. The decision lies with the members.
- 7.1.5 If consensus was obtained to unlock the surplus, this would defray the operating expenses for the coming year.
- 7.1.6 Mr Thomas Tan referred to Appendix 1 and quoted "For the amendment, 10% of the Clubs net operating surplus (before Depreciation and Amortisation) shall be deposited into the Financial Reserve and balance shall be made available to meet operating expenses in the subsequent years". Mr Tan asked if the Financial Reserve included entrance fees.

- 7.1.7 KJK explained that the Financial Reserve, as defined in the Constitution, consists of three items namely entrance fees, transfer fees and 10% of the operating surplus.
- 7.1.8 Mr Tan asked for more clarification.
- 7.1.9 WSY explained that the GC shall ensure that 10% of the net operating surplus shall be deposited into the Financial Reserve and the balance shall be made available to meet operating expenses, i.e. 10% of the operating surplus shall be deposited into the Financial Reserve and 90% of the operating surplus will be available to meet operating expenses.
- 7.1.10 There being no further comments, the President called for a vote by a show of hands on the motion.

Result of Hand Vote

In Favour:	113
Against:	2

The President declared the motion as passed and carried.

- 7.2 Amendment to Clauses: 1.1 Definition of "Non-Operating Income" to be amended by deleting the words "Transfer Fees", and definition of "Operating Income" to be amended by inserting the words "Transfer Fees" & Clauses 16.1 and 16.2 to define transfer fee.
Consequential amendment to Clause: 16.2 (i)
- 7.2.1 Vice-President Mr Lee Say Yeow ("LSY"), also a member of the Finance Sub-committee, explained the nature of the transfer fee. It is essentially the fee imposed on members who transfer the ownership of their ordinary, corporate, life and founder membership to a third party.
- 7.2.2 Exemptions are allowed in clause 16.2, if you transfer membership to your child, spouse or grandchild, only an administration fee is imposed, but the transfer fee will be exempted.
- 7.2.3 LSY added that during the open dialogue session held in May 2018, Club Trustee, Mr Pao Kiew Tee, suggested that the Club consider re-categorising the transfer fee to operating income in view that transfer fee is not the sale of an asset within the Club. It was a fee imposed on members who were transferring a membership that they already own and which was not really capital in nature. Hence it should be deemed to be part of the normal income of the Club.
- 7.2.4 The GC supported Mr Pao's suggestion that the transfer fee be re-categorised as operating income. The aim of the re-categorisation of the transfer fee is to move the transfer fee from the non-operating income to operating income.
- 7.2.5 Mr Tony Lim wanted to know about transfer fees that the Club received for a sale to a third party who was not related.
- 7.2.6 In reply, WSY said that the transfer fee of about \$8,800 (w/GST) was applicable for third party transfers; and the administration fee of \$107 w/GST was for the membership transfer between family members as in clause 16.2.
- 7.2.7 There being no further comments, the President called for a vote by a show of hands on the motion.

Result of Hand Vote

In Favour:	124
Against:	1

The President declared the motion as passed and carried.

- 8 **TO TRANSACT ANY OTHER BUSINESS OF WHICH 7 CLEAR DAYS' NOTICE HAS BEEN GIVEN IN WRITING TO THE HONORARY SECRETARY**
- 8.1 The President informed the House that one letter was received. The letter had been addressed earlier, before the voting process commenced (refer item 3.2).

8.2 *Core Values*

The President then went on to talk about core values and said that the Club has excellent vision and mission. However our core values could be further enhanced.

8.2.1 Core values support the vision and mission that actually shape the Club's culture, reflecting what SGCC values stand for. The President sincerely hoped that the next GC and members would adopt these values of "RIGHT" which is a very positive word. (R – Respect, I – Integrity, G – Graciousness, H – Honesty, T – Trust).

8.2.2 The President appealed to members to build these core values that will become part of the SGCC culture, and to support the initiative that he personally felt was good for the Club.

8.2.3 The President then opened up the floor to the House for sharing of any other matters.

8.3 *Alleged Sexual Harassment*

Mr Poh Boon Kay brought up an alleged sexual harassment against his daughter by an employee that happened 15 years ago. Mr Poh indicated his disappointment that no action had been taken against the employee although the case had been brought to the attention of the President, the Security Chairman, Mr Peter Chia ("PC"), the former GM and the current Management. Mr Poh mentioned that a meeting was held and recorded; and he was upset by one of the comments made by PC.

8.3.1 PC replied that legal advice had been sought, following which a letter had been sent to Mr Poh to which the Club had not received any response.

8.3.2 Mr Poh said that as a private club, the issue should be settled within the Club and added that he has restrained himself for four years.

8.3.3 The President stated that the Club takes harassment very seriously. Investigation into the case was conducted and the Club had communicated with Mr Poh officially. There was one occasion of no-show from Mr Poh and his daughter. The Club had hoped Mr Poh would come forward to resolve the case.

8.3.4 Legal advice had been sought to ensure any decision coming from the Club was fair.

8.3.5 The President said that the Club would not help or tolerate any employee who was accused of harassment and suggested that Mr Poh write in officially if he required further investigation.

8.3.6 Mr Poh replied that he would not proceed with legal action after learning that the employee in question had resigned. As a member of the Club, he would not want to give the Club a bad name and he wanted to let the matter rest.

8.3.7 The President thanked Mr Poh for his decision.

8.4 *Suggestion on Facilities Relocation*

Dr Leong Sik Hoong Mark would like to move a motion to thank the President for the work he has done for the Club during these four years, and noted that he has taken over the helm at a very difficult period.

8.4.1 Dr Leong then suggested re-siting the Jackpot room to the second floor (where Garden Grill is) and vice versa, in view that the Jackpot room was now of lesser importance. This would also save the cost of installing a lift as mentioned by one of the candidates.

8.4.2 Having the Garden Grill on the ground level would allow the wheelchair-bound and physically impaired to enjoy the facilities, also taking into consideration that the Jackpot room has its own toilet facilities. Dr Leong thought that this would help to increase revenue for the Club.

8.5 *Voting Process*

The President shared that he had received feedback on the voting process during the interval and suggested that if there was an anticipated big turnout in future, priority access for voting should be given to seniors and elderly members. He hoped the incoming GC as well as the Management would bear this in mind.

8.6 *On-going Disciplinary Investigation*

Mr Tony Lim sought clarification on the disciplinary committee's decision or action in the case involving Mr Terrence Fernandez ("TF").

- 8.6.1 Mr Lim would like to know whether the case would be passed on to the new GC.
- 8.6.2 Mr Lim was concerned that a case which was not resolved and then carried over to the new GC would complicate matters for the Club, e.g., would former Disciplinary Committee ("DC") members need to return as witnesses, to provide evidence and dialogue?
- 8.6.3 Mr Lim added that he has consulted his senior counsel lawyer friends who have retired from the bench. They too were unclear as to the appropriate party who should be hearing the case.
- 8.6.4 GC member, Mr Christopher Tan ("CT"), who was also a DC member, replied that as a matter of policy, the DC does not comment on any specific case that was pending or not pending.
- 8.6.5 Hypothetically speaking, if there was an ongoing case that was not completed within the term of the current GC and there was a possibility of the case going on to a new GC, in that kind of situation, the current GC would seek external legal advice on the appropriate legal action. Such a decision for the current GC would be legally complex and require external legal advice.
- 8.6.6 The advice might be that a resolution should be passed by the current GC to propose that the current DC hearing the case continue to do so when the next GC takes over. Such a resolution, even if passed, will depend on whether the new GC agrees that the current DC continues to hear the case.
- 8.6.7 If the new GC ratifies and passes a resolution that confirms that the current DC can continue to hear the case, it might be possible for this to happen.
- 8.6.8 Mr Lim further queried on how the current GC can make a constitution amendment to a new GC, or whether the new GC can make a new constitution amendment to indicate that they do not accept the old case.
- 8.6.9 In reply, CT said that it was not a constitutional amendment. It was based on legal advice on what was available (or not available) or the powers of what could be done. CT agreed with Mr Lim that this was a legally complex question and the advice that was given was that this GC could pass a resolution to indicate that they would like the current DC to continue.
- 8.6.10 The incoming GC will have to confirm whether they agree with this. Mr Lim's concern, CT said that the DC members that were hearing the matter were prepared to volunteer to continue even though their office may end. CT said that technically, the Club's Constitution does allow for ordinary members to sit as members of the DC, but this is subject to the new GC.
- 8.6.11 Mr Lim was of view that it was unfair to pass an old case from a former GC on to a new GC. The latter may not know the details and the matter has been lingering for months. Although some of the former GC members might be in the new GC, they may not be in the DC.
- 8.6.12 CT explained that the DC has to adhere to a particular process. It takes time to hear evidence, and to call witnesses. It was not something that could be rushed.
- 8.6.13 The DC took their obligations seriously and conducted the hearings as best as they could.
- 8.6.14 The DC process was an important proceeding involving serious allegations and arguments, and it needed time for the parties involved. The DC also needed time to articulate the concerns and understand the allegations.
- 8.7 *Unconsumed Leave*
Referring to page 76 of the Annual Report, Item 10, "Creditors and Accruals", in the matter of unconsumed leave entitlement amounting to \$192,000, Mr Philip Hu asked whether the Club actually paid staff for unconsumed leave.
- 8.7.1 WSY explained that the item has to be read in conjunction with Note 2(k)(ii) on page 70 "Employee leave entitlement".

According to Singapore accounting standards, if the staff has unconsumed leave at the end of the financial year, the Club has to quantify the leave and accrue for it in the financial statements. It is not a matter of encashment.
- 8.7.2 Mr Hu further enquired on whether the Club paid staff for leave that is unconsumed, noting that \$192,000 was a big sum.

8.7.3 WSY responded that based on her knowledge, the Club does not pay for leave that is unconsumed. This was normal annual leave. For accounting and matching purposes, the Club reverses the amount from accruals in the next year.

8.8 *Fairness of Disciplinary Investigation*

Mr Puah Neo, drawing reference to Mr Tony Lim's concern, questioned the fairness given to TF. Mr Puah Neo understood that not all cases should be treated equally. However, urgency and priority should be established.

8.8.1 Mr Puah Neo gave a scenario that in the event that TF becomes President and the allegation had not been cleared, how he would get the respect of members. He added that whatever legality was involved, there must be priority in place. This was a critical case with an election coming up, which took place and yet there was a case pending.

8.8.2 In reply, CT mentioned that Mr Puah Neo's insinuation and allegations based on a number of assumptions that the DC has not performed its obligations in any particular case was not accurate. The DC maintained its position and could not comment on any case that was ongoing.

8.8.3 CT assured that any ongoing case would have already been handled to the best of the DC's ability, and fairness ensured to the parties involved. The role of the DC was to ensure that a correct and fair decision after hearing everyone and their witnesses was reached. Even if the case was complex, and if parties wanted to call numerous witnesses repeatedly and the witnesses could not turn up on the scheduled date, the DC still had to do the best they could.

8.8.4 The DC would have to give them the opportunity within reasonable boundaries, particularly in a complex case, if external legal advice was sought on how the proceedings were to be conducted against the time pressure of conducting the proceedings expeditiously.

8.8.5 The DC does not finalise results that were convenient or inconvenient for any other purpose. The DC's role was only to make a decision and to deal with a complaint before the Committee that was fair and expeditious, and ensure all parties have been given equal opportunities. CT hoped that adequately addressed Mr Puah Neo's concerns.

9.0 RESULTS OF THE VOTES – ELECTION OF A COMMITTEE MEMBER

For the position of President

<u>Name of Nominees</u>	<u>No. of Votes</u>
Mr Fernandez Terrence	160
M Koh Jin Kit	124
Mr Lee Say Yeow	105

Mr Fernandez Terrence was declared duly elected Club President.

For the position of Vice-President

<u>Name of Nominees</u>	<u>No. of Votes</u>
Ms Gan Genie Sugene	118
Mr Lim King Leong Tony	103
Mr Wong Van-Tse Benjamin Leo	166

Mr Wong Van-Tse Benjamin Leo was declared duly elected Vice-President.

For the position of Honorary Secretary

<u>Name of Nominees</u>	<u>No. of Votes</u>
Mr Ho Soon Wah Daniel	120
Dr Tan Chok Jueh Edmond, PBM	121
Ms Wong Kwee Keow Emily	136

Ms Wong Kwee Keow Emily was declared duly elected Honorary Secretary.

For the position of Honorary Treasurer

<u>Name of Nominees</u>	<u>No. of Votes</u>
Mr Goh Kong Yong Joseph	134
Mr Ng Chun Piaw Rayner	141
Mr Teo Kim Ngo Francis	109

Mr Ng Chun Piaw Rayner was declared duly elected Honorary Treasurer.

For the position of Assistant Honorary Secretary

<u>Name of Nominees</u>	<u>No. of Votes</u>
Mr Kang Hong Chee Frederick	128
Mr Lee Meng Kai Eric	144
Mr Low Teck Hian Gilbert	110

Mr Lee Meng Kai Eric was declared duly elected Assistant Honorary Secretary.

For the position of Assistant Honorary Treasurer

<u>Name of Nominees</u>	<u>No. of Votes</u>
Mr Lam Kuet Keng Steven John	126
Mr Lim Swee Kuan Ignatius	129
Mr Rodrigues John Jack Patrick	126

Mr Lim Swee Kuan Ignatius was declared duly elected Assistant Honorary Treasurer.

For the position of Committee Members

<u>Name of Nominees</u>	<u>No. of Votes</u>
Mr Chia Kwang Hai Peter	115
Ms Chua Lay Pheng Elena	168
Mr Heng Song Kwang Ivan	163
Mr Koh Thuan Joo Joseph	146
Mr Krishnan Mathivanan Mathin	122
Mr Lim Yort Gue George	127
Mr Phuah Lian Heng	158
Mr Puah Neo Peng Chiew	135
Mr Rachmadi Paul	100
Mr See Kim Xiang Xavier	198
Mr Tan Wah Hong Ansband	129
Mr Tan Yew Teong	131
Ms Tay Wee Ling Linda	169
Mr Teng Leng Hock	152
Mr Wong Wai Loong Kenneth	161

The following members were declared duly elected GC members.


Ms Chua Lay Pheng Elena
Mr Heng Song Kwang Ivan
Mr Phuah Lian Heng
Mr See Kim Xiang Xavier
Ms Tay Wee Ling Linda
Mr Teng Leng Hock
Mr Wong Wai Loong Kenneth

The President congratulated the elected members and invited them on stage.

10 ADJOURNMENT

There being no other business, the President thanked members for their attendance and invited everyone to adjourn to the Crossroads Lounge. The meeting ended at 8.05pm.

A CORRECT RECORD



Dr Edmond Tan, PBM
Honorary Secretary

*General Committee's Statement and
Audited Financial Statements*

Serangoon Gardens Country Club
(Reg. No. UEN S55550610E)

For the year ended 31 March 2019

Serangoon Gardens Country Club

General Information

General Committee Members

President	:	Fernandez Terrence
Vice President	:	Wong Van-Tse Benjamin Lee
Honorary Treasurer	:	Ng Chan Piau Rayner
Assistant Honorary Secretary	:	Ho Soon Wah Daniel
Assistant Honorary Treasurer	:	Rodrigues John Jack Patrick
Committee Member	:	Lim Yort Gue George

Independent Auditor

HLB Atreide LLP

The independent auditor, HLB Atreide LLP has expressed its willingness to accept re-appointment as auditor.

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Serangoon Gardens Country Club

Statement by General Committee

In the opinion of the General Committee,

- (a) the accompanying balance sheet, statement of comprehensive income, statement of changes in funds and cash flow statement together with notes thereto are drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Serangoon Gardens Country Club (the "Club") as at 31 March 2019 and the results, changes in funds and cash flows of the Club for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

On behalf of the General Committee,



Fernandez Terrence
President

Singapore
17 May 2019



Ng Chun Piaw Rayner
Honorary Treasurer

**Independent Auditor's Report
to the Members of Serangoon Gardens Country Club**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serangoon Gardens Country Club (the Club), which comprise the balance sheet as at 31 March 2019, and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Club as at 31 March 2019 and of the financial performance, changes in funds and cash flows of the Club for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of General Committee for the Financial Statements

The committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent Auditor's Report
to the Members of Serangoon Gardens Country Club – continued**

Responsibilities of General Committee for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

The General Committee's responsibilities include overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report
to the Members of Serangoon Gardens Country Club – continued**

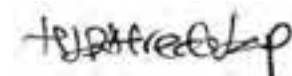
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the General Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Societies Regulation enacted under the Act to be kept by the Club have been properly kept in accordance with those regulations.



HLB Airdé LLP
Public Accountants and
Chartered Accountants

Singapore
17 May 2019

Serangoon Gardens Country Club

Balance Sheet as at 31 March 2019

	Note	2019 \$	2018 \$
ASSETS			
Non-current			
Property, plant and equipment	4	20,062,916	21,224,217
Members' receivables	5	104,340	149,630
Investment securities	6	518,188	-
		<u>20,685,444</u>	<u>21,373,847</u>
Current			
Inventories	7	113,362	132,130
Members' receivables	5	928,206	969,539
Sundry receivables, deposits and prepayment	8	289,389	269,156
Interest receivables		13,012	8,564
Fixed deposits	9	5,299,735	3,275,323
Cash and cash equivalents	9	4,787,532	6,636,095
		<u>11,431,236</u>	<u>11,290,807</u>
TOTAL ASSETS		<u>32,116,680</u>	<u>32,664,654</u>
FUNDS			
Accumulated funds	10	29,316,594	29,878,856
		<u>29,316,594</u>	<u>29,878,856</u>
LIABILITIES			
Current			
Creditors and accruals	11	1,582,410	1,592,797
Contract liabilities	12	349,875	361,448
Members' credit balances and deposits		769,254	781,553
Income tax payable		98,547	50,000
		<u>2,800,086</u>	<u>2,785,798</u>
TOTAL FUNDS AND LIABILITIES		<u>32,116,680</u>	<u>32,664,654</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Serangoon Gardens Country Club

Statement of Comprehensive Income for the financial year ended 31 March 2019

	Note	2019 \$	2018 \$
Operating income			
Subscriptions		4,202,796	4,226,127
Transfer fees		430,865	
Miscellaneous income	13	196,541	249,253
Lease rental income		483,519	515,417
Contributions/(deficits) from:			
Fruit machines	14	329,200	754,980
Facilities booking	15	223,247	221,236
Other activities	16	109,089	94,189
Food and beverage	17	(329,540)	(369,381)
		<u>5,650,417</u>	<u>5,691,851</u>
Less:			
Operating expenditure			
Operating and administrative	18	(4,250,479)	(4,243,690)
Repairs, maintenance and housekeeping	19	(555,373)	(618,181)
Water and electricity		<u>(611,302)</u>	<u>(580,124)</u>
		<u>(5,417,154)</u>	<u>(5,442,004)</u>
Net operating surplus		233,263	249,847
Non-operating income			
Transfer fees (FY18/19 – April to June 2018)		92,310	471,195
Entrance fees		457,650	816,189
Interest income	20	<u>42,216</u>	<u>27,167</u>
		<u>592,176</u>	<u>1,314,551</u>
Net surplus before depreciation		825,439	1,564,398
Depreciation of property, plant and equipment	4	(1,339,185)	(1,433,330)
Gain/(loss) on disposal of property, plant and equipment		<u>31</u>	<u>(18,755)</u>
Net (deficit)/surplus before tax		(513,715)	112,313
Income tax expense	21	<u>(48,547)</u>	<u>(50,806)</u>
Net (deficit)/surplus after tax		(562,262)	61,507
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (deficit)/surplus for the year		<u>(562,262)</u>	<u>61,507</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Serangoon Gardens Country Club

Statement of Changes in Funds for the financial year ended 31 March 2019

	Accumulated funds S
Balance at 1 April 2017	29,817,349
Total comprehensive surplus for the year	<u>61,507</u>
Balance at 31 March 2018	29,878,856
Total comprehensive deficit for the year	<u>(562,262)</u>
Balance at 31 March 2019	<u>29,316,594</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Serangoon Gardens Country Club

Cash Flow Statement for the financial year ended 31 March 2019

	2019 S	2018 S
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (deficit)/surplus before tax	(513,715)	112,313
Adjustments for:		
Depreciation of property, plant and equipment	1,339,185	1,433,330
(Gain)/loss on disposal of property, plant and equipment	(31)	18,755
Interest income	(42,216)	(27,167)
Bad debts written off	1,520	15,673
Operating cash flow before working capital changes	784,743	1,552,904
Decrease in inventories	18,768	45,063
Decrease in operating receivables	64,870	191,434
Decrease in operating payables and contract liabilities	(34,259)	(269,867)
Cash generated from operations	834,122	1,519,534
Income tax paid	-	(50,761)
Net cash flows from operating activities	834,122	1,468,773
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(178,854)	(796,631)
Proceeds from disposal of property, plant and equipment	1,001	6,980
Purchase of investment securities	(522,000)	-
(Increase)/decrease in fixed deposits	(2,024,412)	180,313
Interest received	41,580	27,289
Net cash flows used in investing activities	(2,682,685)	(582,049)
Net (decrease)/increase in cash and cash equivalents	(1,848,563)	886,724
Cash and cash equivalents at beginning of year	6,636,095	5,749,371
Cash and cash equivalents at end of year (Note 9)	4,787,532	6,636,095

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Notes to the Financial Statements – 31 March 2019

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

The Club is registered under the Societies Act Chapter 311 and domiciled in Singapore.

The registered office and principal place of activities of the Club is located at 22, Kensington Park Road, Singapore 557271.

The principal activities of the Club are to promote the interest of the Club members, provide recreational activities and other activities for the welfare and well-being of its members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Societies Act and Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Club has adopted all applicable new and revised standards and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these standards and INT FRS did not have any material effect on the financial position or performance of the Club for the current or prior financial years.

The Club applied FRS 109 and FRS 115 for the first time. The nature and effect of the changes as a result of the adopting of these new accounting standards are described below:

FRS 109 Financial Instruments

FRS 109 *Financial Instruments* replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Classification and measurement

Under FRS 109, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Club's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

Notes to the Financial Statements – 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

FRS 109 Financial Instruments (continued)

Classification and measurement (continued)

The assessment of the Club's business model was made as of the date of initial application, 1 April 2015, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

FRS 109 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

The classification and measurement requirements of FRS 109 did not have a significant impact on the Club.

Impairment

The adoption of FRS 109 has fundamentally changed the Club's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. FRS 109 requires the Club to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. The adoption of new impairment model under FRS 109 does not affect the carrying amount of the Company's financial asset carried at amortised cost.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The contract liability balance includes an amount of \$347,365 and \$2,010 reclassified from subscriptions charged in advance and other payables respectively. This had no impact on the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

Standards issued but not yet effective

The Club has not adopted the following standards and interpretations which are potentially relevant to the Club that has been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
FRS 116 <i>Leases</i>	1 January 2019
Improvements to FRSs (March 2017):	
- Amendment to FRS 12 <i>Income Taxes</i>	1 January 2019
- Amendment to FRS 23 <i>Borrowing Costs</i>	1 January 2019
INT FRS 123: <i>Uncertainty over Income Tax Treatments</i>	1 January 2019

The General Committee expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS is described below.

FRS 116 *Leases*

FRS 116 requires lessors to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Club plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of FRS 116, the Club expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as of 1 January 2019; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

Standards issued but not yet effective (continued)

FRS 116 Leases (continued)

In addition, the Club plans to elect the following practical expedients:

- (i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- (ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; or
- (iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Club has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Club adopts FRS 116 in 2019.

(b) *Functional and foreign currency*

The Club has determined the currency of the primary economic environment in which the Club operates i.e. functional currency, to be SGD.

Foreign currency transactions

Transactions in foreign currencies are measured in SGD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Club recognises such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Clubhouse buildings and underpass	-	50 years
Furniture, fittings and office equipment	..	5 years
Pool, gymnasium and electrical equipment	·	5 years
Amusement equipment		3 years
Renovation		5 years
Computers		3 years
Motor vehicles	-	5 years
Container	·	5 years
Bowling equipment		10 years
Kitchenware, crockery and utensils		5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Building improvements in progress are not depreciated as these assets are not yet available for use.

For acquisition and disposals of property, plant and equipment, depreciation is provided in the month of acquisition and no depreciation is provided in the month of disposal.

Property, plant and equipment with individual cost of \$500 and below are expensed off in the profit or loss in the year of purchase.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Property, plant and equipment (continued)*

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(d) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Club expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial Instruments (continued)*

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Club becomes a party to the contractual provisions of the financial instrument. The Club determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(e) *Impairment of financial assets*

The Club recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For member receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Impairment of financial assets (continued)*

The Club considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Club determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

(f) *Contract balances*

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Club performs under the contract.

(g) *Impairment of non-financial assets*

The Club assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

Notes to the Financial Statements – 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Consumable stocks and stores – weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurred.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and fixed deposits with maturity not more than three months.

(j) Trade and other payables

Trade and other payables are non-interest bearing and trade payables are normally settled on 30 to 60 days' terms while other payables have varied payment terms depending on the nature of the payables.

(k) Provisions

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Provisions (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Club pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Club makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(m) Leases

(i) As lessee

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Club retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Revenue

Revenue is measured based on the consideration to which the Club expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Club satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Revenue from food and beverage

Revenue from food and beverage operations is recognised at a point in time, generally upon the point of sale of food and beverage to members and customers. Revenue represents the value of food and beverage, net of discounts and goods and services tax.

(ii) Rental income

Rental income arising from the Club's property is recognised on a straight-line basis over the lease term on ongoing leases.

The aggregate costs of incentives provided by the lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Subscription fees

Subscription fees are recognised when they are due for payment.

(v) Entrance and transfer fees

The entrance and transfer fees are recognised in full in the financial year in which new members are admitted or transferred.

(vi) Fruit machines income

Fruit machines income is recognised on receipt basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Club will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

(p) Taxes

(i) Current income tax

The Club's income tax is subject to the provision of section 11(1) of the Singapore Income Tax Act. It is deemed not to carry on business if at least half of its gross receipts in the revenue account are from its members, and such revenue is not subject to tax.

Any other sources of income derived from dealing with non-members are taxable.

The income tax rate applicable is on the effective rate in Part B of the Second Schedule of the Act, which is limited to the corporate income tax rate of 17%.

(ii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Club if that person:
 - (i) Has control or joint control over the Club;
 - (ii) Has significant influence over the Club; or
 - (iii) Is a member of the key management personnel of the Club or of a parent of the Club.
- (b) An entity is related to the Club if any of the following conditions applies:
 - (i) The entity and the Club are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Club or an entity related to the Club. If the Club is itself such a plan, the sponsoring employers are also related to the Club;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Club's financial statements requires the General Committee to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. Although these estimates are based on the General Committee's best knowledge of current events and actions, actual results may differ from those estimates.

(i) *Judgement made in applying accounting policies*

There were no material judgements made by Management in the process of applying the Club's accounting policies that had a significant effect on the amounts recognised in the financial statements.

(ii) *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Club. Such changes are reflected in the assumptions when they occur.

- *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements. A 1% difference in the expected useful lives of these assets from Management's estimates would result in approximately 3% (2018: 12%) variance in the surplus or deficit before tax.

- *Expected credit loss ("ECL")*

When measuring ECL, the Club uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Notes to the Financial Statements – 31 March 2019

4. PROPERTY, PLANT AND EQUIPMENT

	Clubhouse buildings and underpass \$	Furniture, fittings and office equipment \$	Pool, gymnasium and electrical equipment \$	Amusement equipment \$	Renovation \$	Computers \$
Cost:						
At 1 April 2017	34,249,895	2,304,037	3,986,299	887,961	4,806,676	815,997
Additions	4,900	46,599	477,936	28,000	189,493	49,703
Disposal/written off	-	(1,265)	(116,002)	(40,500)	(12,700)	(44,323)
Reclassification	-	-	9,847	-	77,209	-
At 31 March 2018 and 1 April 2018	34,254,795	2,339,371	4,358,080	875,461	5,060,669	821,377
Additions	-	6,730	71,947	-	8,400	2,456
Disposal/written off	-	(1,831)	(23,448)	(306,523)	-	(327)
At 31 March 2019	34,254,795	2,344,270	4,406,479	568,938	5,069,069	823,506
Accumulated depreciation:						
At 1 April 2017	14,006,636	2,069,521	3,293,324	732,934	4,579,592	739,422
Charge for the year	712,011	108,665	272,561	95,531	166,660	49,352
Disposal/written off	-	(10,682)	(115,004)	(20,278)	(12,709)	(44,323)
At 31 March 2018 and 1 April 2018	14,718,647	2,167,504	3,452,881	808,187	4,733,552	744,451
Charge for the year	710,534	77,807	311,908	51,824	113,635	42,991
Disposal/written off	-	(1,831)	(22,478)	(306,523)	-	(327)
At 31 March 2019	15,429,181	2,243,480	3,742,311	553,488	4,847,187	787,115
Net carrying amount:						
At 31 March 2018	19,536,148	171,867	905,199	67,274	327,117	76,926
At 31 March 2019	18,825,614	140,790	664,168	15,450	221,882	36,391

Notes to the Financial Statements – 31 March 2019

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	Kitchenware, crockery and utensils \$	Motor vehicles \$	Container \$	Bowling equipment \$	Building improvements in progress \$	Total \$
Cost:						
At 1 April 2017	164,682	88,363	27,304	1,094,298	87,047	48,512,559
Additions	-	-	-	-	-	796,631
Disposal/written off	-	-	-	(5,487)	-	(230,277)
Reclassification	-	-	-	-	(87,047)	-
At 31 March 2018 and 1 April 2018	164,682	88,363	27,304	1,088,811	-	49,078,913
Additions	-	-	-	89,421	-	178,854
Disposal/written off	-	-	-	-	-	(332,129)
At 31 March 2019	164,682	88,363	27,304	1,178,232	-	48,925,638
Accumulated depreciation:						
At 1 April 2017	158,743	71,116	27,304	945,316	-	26,625,908
Charge for the year	5,939	5,594	-	17,017	-	1,433,330
Disposal/written off	-	-	-	(1,555)	-	(204,542)
At 31 March 2018 and 1 April 2018	164,682	76,710	27,304	960,778	-	27,854,696
Charge for the year	-	5,593	-	24,893	-	1,339,185
Disposal/written off	-	-	-	-	-	(331,159)
At 31 March 2019	164,682	82,303	27,304	985,671	-	28,862,722
Net carrying amount:						
At 31 March 2018	-	11,653	-	128,033	-	21,224,217
At 31 March 2019	-	6,060	-	192,561	-	20,062,916

The Club properties are constructed on leasehold land with a tenure of 999 years (commencing 1 January 1955), registered in the names of the trustees of the Club.

Notes to the Financial Statements – 31 March 2019

5. MEMBERS' RECEIVABLES

	2019 \$	2018 \$
Entrance fee receivables	209,750	731,395
Members' receivables	822,796	787,774
	<u>1,032,546</u>	<u>1,119,169</u>
Current:		
Entrance fee receivables	105,410	181,765
Members' receivables	822,796	787,774
	<u>928,206</u>	<u>969,539</u>
Non-current:		
Entrance fee receivables	<u>104,340</u>	<u>149,630</u>

The amount for non-current portion of entrance fee receivables is approximately to the amortised costs.

Members' receivables are non-interest bearing and are generally on 30-day payment terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Expected credit losses

The Club uses an allowance matrix to measure the ECLs of members' receivables.

The following table provides information about the Club's exposure to credit risk and ECLs for trade receivables as at 31 March 2019:

	Expected credit loss rate %	Gross carrying amount \$	Lifetime ECL \$	Credit impaired
2019				
Current (not past due)	-	920,150	-	No
1 to 30 days past due	-	92,163	-	No
31 to 60 days past due	-	19,551	-	No
More than 60 days past due	-	682	-	No
		<u>1,032,546</u>	<u>-</u>	
2018				
Current (not past due)	-	1,012,704	-	No
1 to 30 days past due	-	81,959	-	No
31 to 60 days past due	-	24,506	-	No
More than 60 days past due	-	-	-	No
		<u>1,119,169</u>	<u>-</u>	

There is no loss allowance arising as the expected credit losses is not material.

Notes to the Financial Statements – 31 March 2019

6. INVESTMENT SECURITIES

	2019 \$	2018 \$
<i>Financial Assets at Amortised Costs</i>		
Debt instruments – quoted	<u>518,188</u>	<u>–</u>

For purpose of impairment assessment, the debt instruments are considered to have low credit risk as these investments are relates to bonds issued by a statutory board of the Singapore government. The Club holds no collateral over these balances. Therefore, the loss allowance if any, is measured at an amount equal to 12-month expected credit losses (ECL).

7. INVENTORIES

	2019 \$	2018 \$
Consumable stocks and stores	<u>113,362</u>	<u>132,130</u>
Statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	<u>2,017,163</u>	<u>2,102,325</u>

8. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

	2019 \$	2018 \$
Prepayment	97,889	69,845
Rental receivables	7,944	21,423
Staff advances – interest free	1,337	1,577
Sundry receivables	81,769	46,661
Sundry refundable deposits	<u>100,450</u>	<u>129,650</u>
	<u>289,389</u>	<u>269,156</u>

9. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

	2019 \$	2018 \$
Cash and bank balances	3,772,530	5,625,049
Fixed deposits	<u>6,314,737</u>	<u>4,286,369</u>
	10,087,267	9,911,418
Less: fixed deposits with maturity more than 3 months	<u>(5,299,735)</u>	<u>(3,275,323)</u>
Cash and cash equivalents as stated in cash flow statement	<u>4,787,532</u>	<u>6,636,095</u>

Short-term deposits are made for varying periods of between 3 months and 12 months (2018: between 3 months and 12 months) depending on the immediate cash requirements of the Club, and earn interests at the prevailing short term deposit rates. The interest rates of short-term deposits range from 0.10% to 1.90% (2018: 0.10% to 1.18%) per annum.

9. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS (continued)

An amount of \$6,339,049 (2018: \$5,779,275) in the cash and cash equivalent and fixed deposits was set aside as financial reserve under the Club's constitution for the Club's cash management. This amount may be utilised on capital expenditure in accordance with capital expenditure prioritization matrix and in the event of crisis, where the Club's operating income is insufficient to meet its operating expenditure due to external causes not within Management's control.

The minimum financial reserve threshold for the new financial year 2019/2020 has been determined under the Club's constitution to be \$3.8 million (2018: \$3.8 million) and the level of financial reserve needed to exit the transition period is \$4.3 million (2018: \$4.3 million).

10. ACCUMULATED FUNDS

Pursuant to Rule 39.2 of the Club's Constitution, the accumulated funds derived from the operations of the Club's fruit machines and tomahola after the settlement of Club's debts and liabilities must be distributed to the approved charities in Singapore in the event of dissolution of the Club.

The movement in the accumulated funds derived from the operation of the Club's fruit machines income net of related expenditure and depreciation is as follows:

	Accumulated funds	
	2019 \$	2018 \$
Accumulated surplus from fruit machines		
Balance at beginning of year	51,787,942	51,548,715
Contribution for the year	329,200	754,980
Depreciation of amusement equipment	(51,824)	(95,531)
Amusement equipment written off		(20,222)
Balance at end of year	52,065,318	51,787,942
Accumulated deficit from other activities	(22,748,724)	(21,909,086)
Net accumulated funds at end of year	<u>29,316,594</u>	<u>29,878,856</u>

11. CREDITORS AND ACCRUALS

	2019 S	2018 S
Trade payables and accruals	876,428	895,723
Unconsumed leave entitlement	164,703	192,448
Rental income bill in advance	45,424	41,547
GST payable	166,615	158,317
Deposits received	329,240	304,762
	<u>1,582,410</u>	<u>1,592,797</u>

12. CONTRACT LIABILITIES

	2019 S	2018 S
Amounts received in advance related to Club's activity	2,010	8,630
Amounts billing in advance related to subscription fee	347,865	352,818
	<u>349,875</u>	<u>361,448</u>

- (i) Revenue relating to club's activity is recognised at a point of time. A contract liability is recognised when the Club receives the payment in advance from members and is released when the activity is held.
- (ii) Revenue relating to subscription fee is recognised is recognised over time. A contract liability is recognised when the Club invoices the subscription fee monthly in advance and is released over the period of utilisation.

There were no significant changes in the contract liability balances during the reporting period.

13. MISCELLANEOUS INCOME

	2019 S	2018 S
Electronic parking systems	118,985	124,665
Sundry income	23,991	67,512
Advertisement	5,455	5,978
Reimbursement income	48,080	51,128
	<u>196,511</u>	<u>249,283</u>

Notes to the Financial Statements ~ 31 March 2019

14. FRUIT MACHINES

	2019 S	2018 S
Collections	5,685,170	5,999,358
Deductions:		
Payment to winners	(4,005,578)	(4,032,319)
Government tax [including goods and services tax of \$169,272 (2018: \$190,753)]	(1,089,743)	(1,855,242)
Maintenance of machines	(26,691)	(28,537)
General supplies	(8,980)	(14,116)
Direct staff costs		
- Salaries and wages	(184,505)	(160,790)
Central Provident Fund contributions	(19,685)	(18,017)
Other operating expenses	(18,688)	(85,357)
Contribution from fruit machines	<u>329,200</u>	<u>754,980</u>

15. FACILITIES BOOKING

This relates mainly to the facilities booking of bowling lanes and lockers, swimming pool, lockers and towels, billiard tables and lockers, mahjong tables, squash and tennis courts.

16. OTHER ACTIVITIES

	2019 S	2018 S
Aerobics and fitness	75,301	89,726
Billiards	(6,657)	(5,416)
Bowling	(9,022)	(15,410)
Darts	(5,079)	(8,943)
Chess	2,531	2,086
Golf	(15,554)	(16,544)
Mahjong	(3,646)	(2,952)
Membership relations activities and classes	(38,686)	(38,854)
Squash/table tennis	(2,006)	2,026
Swimming	90,278	87,278
Tennis	17,750	15,931
Youth/video games	7,142	8,192
Miscellaneous	(3,253)	(13,931)
Net surplus from other activities	<u>109,089</u>	<u>94,189</u>

17. FOOD AND BEVERAGE

	2019 S	2018 S
Sales	5,141,389	5,322,886
Less:		
Cost of sales	(2,017,163)	(2,102,325)
Gross contribution	3,124,226	3,220,561
Less:		
Direct staff costs		
Salaries and wages and foreign worker levy	(2,281,171)	(2,294,165)
Central Provident Fund contributions	(197,735)	(180,215)
Other operating expenses	(975,160)	(1,115,562)
Deficit from food and beverage	(329,840)	(369,381)

18. OPERATING AND ADMINISTRATIVE EXPENSES

	2019 S	2018 S
Auditor's remuneration	12,000	9,500
Bad debts	1,529	15,673
Decoration	17,951	17,411
Donations	1,200	1,200
General expenses	45,221	45,763
Insurance	57,675	55,664
Laundry	2,412	2,869
License fees	14,192	9,307
Medical	24,804	23,950
Meeting expenses	46,046	24,849
Members' introduction expenses	40,746	64,387
Membership launch expenses	4,356	11,967
New members' gathering expenses	5,335	3,422
New sletter	54,124	54,575
Nets/cashcard commission	2,181	2,350
Payroll – Salaries and wages and foreign worker levy	2,819,316	2,739,133
– Central provident fund contributions	313,170	310,809
– Employee leave entitlements	(1,845)	30,556
Postage	23,393	24,563
Printing, stationery and magazines	42,048	49,340
Professional and legal fees	33,457	14,024
Promotional materials	92,906	104,430
Property tax	299,755	297,200
Recruitment	11,653	13,606
Refreshment	701	1,756
Staff benefits	151,292	165,575
Staff incentive	50,959	47,994
Staff training	8,429	20,765
Telephone	24,744	27,322
Transport	29,708	19,712
	4,250,479	4,243,699

Notes to the Financial Statements – 31 March 2019

18. OPERATING AND ADMINISTRATIVE EXPENSES (continued)

Included in payroll expenses are key management personnel costs as follows.

	2019 S	2018 S
Salaries and related costs	701,147	776,244
Central Provident Fund	85,424	100,231
	<u>786,571</u>	<u>876,475</u>

Key management personnel of the Club are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Club. The general manager and top executives of the Club are considered as key management personnel of the Club.

19. REPAIRS/MAINTENANCE AND HOUSEKEEPING

	2019 S	2018 S
Housekeeping and landscaping	230,940	222,631
Repairs and maintenance		
building	85,726	110,856
equipment/furniture	216,991	252,630
-- motor vehicle	6,723	5,956
-- bowling alley	14,993	26,108
	<u>555,373</u>	<u>618,181</u>

20. INTEREST INCOME

	2019 S	2018 S
Current accounts	463	1,517
Fixed deposits	32,816	25,650
Investment securities	8,938	-
	<u>42,216</u>	<u>27,167</u>

Notes to the Financial Statements – 31 March 2019

21. INCOME TAX EXPENSE

(i) Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

	2019 \$	2018 \$
Current tax	50,000	50,000
(Over)/under provision in prior years	(1,453)	806
	<u>48,547</u>	<u>50,806</u>

(iii) Relationship between tax expense and accounting (deficit)/surplus

The reconciliation between the tax (benefit)/expense and the product of accounting (deficit)/surplus multiplied by the applicable tax rate for the years ended 31 March 2019 and 2018 are as follows:

	2019 \$	2018 \$
(Deficit)/surplus before tax	<u>(513,715)</u>	<u>112,313</u>
Tax (benefit)/expense on (deficit)/surplus before tax at 17%	(87,331)	19,093
Adjustments:		
Tax effect of:		
Non-deductible expenses	2,934,208	2,489,698
Tax exempt income	(2,796,877)	(3,458,791)
(Over)/under provision in prior years	(1,453)	806
Total tax expense	<u>48,547</u>	<u>50,806</u>

Revenue from members for the financial year is exempted from tax under Section 11(1) of the Singapore Income Tax Act. The income tax expenses in 2019 and 2018 relate to the income tax payable on rental and interest income received from non-members.

The current income tax is determined by applying the statutory rate of income tax to all rental and interest income for the financial year.

22. OPERATING LEASE COMMITMENTS

As lessee

The Club has entered into residential property leases. These leases have a tenure of 1 year with no renewal option or contingent rent provision included in the contracts. There is no restriction placed upon the Club by entering into these leases.

Future minimum rental payable under non-cancellable lease as at the end of reporting period are as follows:

	2019 \$	2018 \$
Not later than one year	32,400	32,400
Later than one year but not later than five years	<u>1,600</u>	<u>1,600</u>
	<u>34,000</u>	<u>34,000</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2019 amounted to \$15,600 (2018: \$46,300).

As lessor

The Club has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of 1 to 3 years (2018: 2 to 4 years) at the end of reporting period. All leases include suitable clauses to enable appropriate revision of the rental charges either upon renewal or based on pre-agreed rates stated in the lease terms.

Future minimum rental receivable under non-cancellable operating leases as at the end of reporting period are as follows:

	2019 \$	2018 \$
Not later than one year	414,616	449,272
Later than one year but not later than five years	<u>465,142</u>	<u>879,758</u>
	<u>879,758</u>	<u>1,329,030</u>

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 30 November 2019 (2018: 30 November 2019) and latest on 1 December 2021.

Notes to the Financial Statements – 31 March 2019

23. EMPLOYEE BENEFITS

	2019 \$	2018 \$
Salaries and bonus	5,038,341	5,006,767
Central Provident Fund (net of Special employment credit of \$37,695 (2018: \$70,906) and Wages credit scheme of \$37,881 (2018: \$55,320))	455,015	382,815
Others	276,849	302,488
	<u>5,770,205</u>	<u>5,692,070</u>

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Club is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk. The Club's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Club. The Committee reviews and agrees on policies and procedures for the management of these risks in accordance with the Club's Constitution guidelines. There has been no change to the Club's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Club's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Club's financial instruments will fluctuate because of changes in market interest rates.

The Club may only invest in fixed deposits with banks licensed under the Singapore Banking Act or any other financial institutions approved by the Monetary Authority of Singapore.

The Club's exposures to changes in interest rate relate primarily to the short term fixed deposits with banks. However, the interest rate risk exposure to the Club is considered minimal.

Sensitivity analysis for interest rate risk

Movements in interest rates will have an impact on the Club's fixed deposit interest income. A change of 50 (2018: 50) basis points in interest rates at the reporting date would change fund and surplus before tax by \$31,574 (2018: \$21,432). This analysis assumes that all other variables remain constant.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Club's exposure to credit risk arises primarily from members' receivables and other receivables. Guidelines on credit terms provided to members are established and continually monitored. For other financial assets including investment securities, fixed deposit and cash and cash equivalents, the Club minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

The Club's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control. New members are subject to credit evaluation while the Club continues to monitor existing members, especially those with repayment issues. In addition, appropriate allowances are made for probable losses when necessary for identified debtors.

The Club does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise credit risk, the Club has developed and maintain the Club's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Club uses other publicly available financial information and the Club's own trading records to rate its major members and other debtors. The Club exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Club's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL credit-impaired
Write-off	There is evidence indicating that the member is in severe financial difficulty and has no realistic prospect of recovery	Amount is written off

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk (continued)

The tables below detail the credit quality of the Club's financial assets, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2019							
Members' receivables	5	N/A	(a)	Lifetime ECL (simplified approach)	1,032,546	–	1,032,546
Investment securities	6	N/A	Performing	12m ECL	518,138	–	518,138
Sundry receivables and deposits	8	N/A	Performing	12m ECL	191,500	–	191,500
						–	
2018							
Members' receivables	5	N/A	(a)	Lifetime ECL (simplified approach)	1,119,769	–	1,119,769
Sundry receivables and deposits	8	N/A	Performing	12m ECL	199,311	–	199,311
						–	

- (a) For members' receivables, the Club has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Club determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience analysed in accordance to the past due status of its members, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix (Note 5).

Exposure to credit risk

At the end of the reporting period, the Club's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. No other financial assets carry a significant exposure to credit risk.

Financial assets that are neither past due nor impaired

Members' receivables and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Club. Cash and fixed deposits are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the Financial Statements – 31 March 2019

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk (continued)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 5 (Members' receivables).

(iii) Liquidity risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting financial obligations due to shortage of funds. The Club's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities.

To manage liquidity risk, the Club monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents. Management believes that liquidity risk is minimal as the Club is able to fund its operations from its accumulated surplus.

The maturity profile of the Club's financial liabilities based on contractual undiscounted cash flows is less than one year.

25. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amount of financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

The Club does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

At the end of the reporting period, the Club did not have any other asset or liability carried at fair value.

26. FUND MANAGEMENT

The primary objective of the Club's fund management is to ensure that it maintains a strong credit rating and healthy working ratios in order to support its activities. The Club manages its funds by regularly monitoring its current and expected liquidity requirements. The Club is not subjected to either internally or externally imposed capital requirements.

Notes to the Financial Statements – 31 March 2019

27. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 109 categories.

	2019 S	2018 S
<i>Financial assets at amortised cost</i>		
Members' receivables	1,032,546	1,119,169
Investment securities	518,188	-
Sundry receivables and deposits	191,500	199,311
Interest receivables	13,012	8,564
Fixed deposits	5,299,735	3,275,323
Cash and cash equivalents	4,787,532	6,636,095
	<u>17,842,513</u>	<u>17,238,462</u>
<i>Financial liabilities at amortised cost</i>		
Creditors and accruals	1,370,371	1,392,933
Members' credit balances and deposits	769,254	781,553
	<u>2,139,625</u>	<u>2,174,486</u>

28. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2019 were authorised for issuance by the Club's General Committee on 17 May 2019.

Notes



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